



**USAID** | **HICD PLUS**  
FROM THE AMERICAN PEOPLE | HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT

# USAID/GEORGIA HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT (HICD) PLUS PROJECT

**ANNUAL REPORT #3**  
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# ACRONYMS

APS	Annual Program Statement
CPT	Certified Performance Technologist
CSO	Civil Society Organization
DCFS	Georgian NGO – Disabled Child, Family, Society
EPI	USAID Economic Prosperity Initiative Project
EU	European Union
EV	Exchange Visitors
GDP	Gross Domestic Product
GIS	Geographic Information Systems
GLA	Georgian Logistics Association
GOG	Government of Georgia
GOGC	Georgian Oil and Gas Corporation
GRS	Georgian Revenue Service
GSE	Georgian State Electrosystem
HICD	Human and Institutional Capacity Development
HICD PLUS	USAID/Georgia Human and Institutional Capacity Development PLUS Project
HR	Human Resources
IAD	Internal Audit Department
ICC	The International Chamber of Commerce
IFRS	International Financial Reporting Standards
IQS	Indefinite Quantity Subcontract
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
GMA	Georgian Microfinance Association (formerly Association of Development and Support of Microfinance Organizations of Georgia, MISO)
MOC	Ministry of Culture and Monument Protection of Georgia
MOEP	Ministry of Environment Protection of Georgia
MOES	Ministry of Education and Science of Georgia
MOF	Ministry of Finance of Georgia
NASP	National Agency for State Property
NBG	National Bank of Georgia
NGO	Non-governmental Organization
OP	Operational Plan
OPAC	Online Public Access Catalogue
PMES	Performance Monitoring and Evaluation System
PMP	Performance Monitoring Plan
PPS	Participant Processing Services
PR	Public Relations
PSP	Performance Solutions Package

ROI	Return on Investment
SCC	Supply Chain Council
SMR	Office of the State Minister for Reconciliation and Civic Equality (formerly Office of the State Minister for Reintegration)
TOT	Training of Trainers
US	United States
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

This report describes the third year of implementation of the USAID/Georgia Human and Institutional Capacity Development (HICD) PLUS project, implemented by Chemonics International. The purpose of the HICD PLUS project is to improve the performance of Georgian institutions that are important to both USAID and Georgia. The four-year project began on September 19, 2011.

The project had a busy and productive third year, helping 13 Georgian partner organizations increase their performance or reach organizational development goals. These partners included seven public sector institutions, one association, and five civil society organizations.

The project's flagship activity continues to be the HICD program with Georgian State Electrosystem (GSE), the national electricity transmission and dispatch operator. GSE is a key piece of the Government of Georgia's economic development plans for the country, which emphasize the production and export of electricity generated by hydropower stations. The HICD program for GSE includes four components that will strengthen GSE's capacity to deliver on those expectations. Work during this year focused on all four components. The first

– and overarching – component focused on improving GSE's performance planning and management approach. HICD PLUS worked closely with GSE and its stakeholders to draft a new strategic plan for the company to ensure it is properly oriented in its new role and is compliant with European Union integration requirements. HICD PLUS also developed GSE's key performance indicators, an operational plan, and reconfigured two business processes: (i) business case analysis and (ii) change management. Through the work of on-site international consultants, the project also helped GSE improve the performance of its internal audit and procurement departments by reviewing current operations and recommending specific improvements. Training for 24 participants from GSE's procurement and contracts departments in Incoterms produced a 102% average

### Main Accomplishments from Year 3

- Completed second IQS procurement and hired 25 organizations to serve as project subcontractors;
- Finalized Key Performance Indicators for Georgian State Electrosystem (GSE);
- Redesigned the GSE Procurement Manual and developed new procurement forms;
- Trained 24 procurement and contracts staff from GSE in Incoterms. Participants demonstrated an average 102% increase in knowledge;
- Completed the technical assistance program for the Ministry of Environment Protection (MOEP);
- Started implementation of a performance solutions package for the Georgian Oil and Gas Corporation (GOGC);
- Trained 10 procurement and contracts staff from GOGC. Participants demonstrated an average 89% increase in knowledge;
- Completed an innovative capacity-building program for five Georgian CSOs;
- Completed a study tour to the US for 17 participants from Disabled Child, Family, and Society (DCFS) and their partners;
- Supported Georgian Logistics Association (GLA) with a national promotion campaign;
- Conducted a research assignment for the Ministry of Education and Science (MOES);
- Assisted the Ministry of Finance (MOF) with improving its forecasting process;
- Launched new performance improvement projects for the Ministry of Culture and Monument Protection (MOC) and the National Agency of State Property (NASP);
- Began providing expert subject-matter analysis to the Office of the State Minister for Reconciliation and Civic Equality (SMR);
- Processed 134 exchange visitors to-date; continued 100% satisfaction rate.

increase in their subject matter knowledge. Georgia HICD PLUS also assisted GSE in developing effective internship, new hire, and distance learning capabilities.

The project also continued to implement the HICD program for the Georgian Oil and Gas Corporation (GOGC). The team developed a corporate intranet for GOGC and began improving GOGC's HR systems and reengineering its core processes. Similar to GSE, the project trained 10 participants from GOGC's procurement and contracts departments in Incoterms. The training produced an 89% average increase in their subject matter knowledge.

During this year, we also supported the Ministry of Education and Science (MOES) with an analysis of its research activities and output in Georgia, the Ministry of Finance (MOF) to improve its forecasting abilities, and the Ministry of Environment Protection (MOEP) to recruit approximately 1,200 new staff. The project also started new activities with the Ministry of Culture and Monument Protection (MOC), the Finance Academy, the National Agency of State Property (NASP), and the Office of the State Minister for Reconciliation and Civic Equality (SMR).

HICD PLUS also conducted a novel capacity-building program for five Georgian CSOs to enable them to receive USAID grants. During the program – an example of USAID Forward in action – the project custom-designed programs for five CSOs and provided them with classroom training and hands-on support to build their organizational capacities in areas such as: financial management, procurement, human resource management, environmental compliance, monitoring and evaluation, gender, and report writing.

Finally, the project concluded a procurement to select a new group of Georgian service providers to serve as project subcontractors during the final two years of the project. In December 2013, Georgia HICD PLUS signed awards with seven consortia representing 25 organizations.

The report below describes the primary activities from the project's third year and discusses lessons learned and recommendations. A Results Reporting Table and Financial Report are located in the Annexes A and C, respectively.

## SECTION I: PROJECT BACKGROUND

The USAID/Georgia Human and Institutional Capacity Development (HICD) PLUS project complements USAID/Georgia's assistance efforts in the democracy and governance, economic growth, energy and environment, and health and education sectors by developing the individual skills and institutional capacity of public and private organizations that play a strategic role in the Government of Georgia's (GOG) reform program and the Mission's development objectives. HICD PLUS also provides participant processing services to all of USAID's programs in Georgia.

HICD PLUS does not replace the Mission's existing technical assistance activities. On the contrary, it complements existing technical knowledge with organizational development expertise and provides advisory services in the areas of skills enhancement and systemic improvements to select organizations, while also developing the capacity of Georgian CSOs and private sector institutions to provide training, organization, and management services.

The intended result of the project is a demonstrable, evidence-based improvement of the institutional capacity of the select partner institutions, leading to an increased level of their efficient, effective, and sustainable performance.

HICD PLUS draws on both international and local service providers to achieve these results. Primarily, the project partners with local service providers to deliver HICD interventions and other services, thereby continuing to build and improve local expertise in the field of organizational development.

The project has four components:

- **HICD Interventions:** HICD is a USAID model of structured and integrated processes designed to identify fundamental causes of performance gaps in host country partner institutions, address those gaps through a wide array of performance solutions in the context of all human performance factors, and enable cyclical processes of continuous performance improvement through the establishment of performance monitoring systems. These are large, holistic activities that seek to improve the overall performance of the institution.
- **Technical Assistance and Sector Assessments:** Technical assistance and sector assessments are limited in scope and look at a specific section/role of the partner institution rather than the institution in its entirety, which is what the HICD interventions would do. Sector assessments and technical assistance may or may not be followed by further interventions, subject to Mission review and approval. Technical assistance activities are often used when a partner institution is not yet ready to absorb an HICD intervention or when such an intervention is not necessary. Sector assessments may be an assessment or research of a specific technical sector, such as the banking sector or health care sector.

- **Participant Processing Services:** The project provides participant processing services for USAID programs in Georgia, including services related to language testing, medical certification, health insurance enrollment, security risk inquiry, and visa processing as per ADS 252 and 253. This is a demand-driven service and is performed in response to requests from other implementing partners. Participants traveling to the U.S. are termed “Exchange Visitors.”
- **Monitoring, Evaluation, and Graduation:** HICD PLUS has developed a web-based Performance Monitoring and Evaluation System (PMES) for use by each partner institution that receives an HICD intervention. The PMES helps partner institutions measure the impact of the HICD interventions and promote continuous change management. In addition, HICD PLUS also uses a project performance monitoring plan (PMP) to enable the project to measure the efficiency and effectiveness of each investment.

## SECTION II: HICD INTERVENTIONS

### Georgian State Electrosystem

HICD PLUS is implementing an HICD program for Georgian State Electrosystem (GSE). GSE is a profit-making institution wholly-owned by the Government of Georgia (GOG). Its main functions

#### Year 3 HICD Partner Organizations

- Georgian State Electrosystem
- Georgian Oil and Gas Corporation

include ensuring electric power transmission for the entire territory of Georgia and electric power dispatching. GSE has a critical role in the energy sector of Georgia – it is responsible for delivering safe, affordable, reliable, and environmentally-balanced electricity for the whole country. It is also linked to GOG’s social and economic development goals to establish Georgia as a regional hub for electricity transmission and sales, and to improve the international trade balance by exporting excess hydro energy.

HICD PLUS began the program in June 2012 with an institutional performance assessment that produced 14 performance improvement recommendations in four main areas: (i) performance planning and management approach; (ii) maintenance of stock with the focus on efficiency; (iii) reconfigured processes; and (iv) workforce readiness. Responsibility for implementing the recommendations was divided between HICD PLUS, GSE, and a USAID energy project in Georgia. HICD PLUS is implementing six recommendations grouped into four components.

#### Component I

Component I focuses on improving GSE’s performance planning and management strategies and introducing an organizational approach to project management. Key deliverables from this component include:

- A comprehensive list of strategic objectives (completed in 2013);
- A new strategic plan for GSE (completed in 2013);
- New key performance indicators (completed).
- A three-pronged project management training program (completed in 2013);
- A working operational plan (to be updated);
- Reconfigured processes (completed);
- Reconfigured corporate operational procedures (completed).

HICD PLUS developed the 2013-2017 Operational Plan (OP) in March 2014, which was then approved by the GSE Management Board. The OP outlines 20 operational objectives linked to each of the six strategic objectives, and details the activities, projects, or initiatives through which GSE will implement its strategic plan. Since the initial development of the Operational Plan, some significant changes took place at GSE that directly affected several elements of the OP. HICD PLUS will update the OP in October and November, 2014.

HICD PLUS developed two other deliverables during the reporting period: reconfigured processes and reconfigured corporate operational procedures.

The two selected business processes – (i) business case analysis and (ii) change management procedures – detail the current processes that are in place and provide explanations of the new, reengineered processes and sub-processes. GSE’s respective corporate operational procedures are provided in detail, including the responsibilities and performers/managers involved in the redesigned processes. The procedures also outline the workflow of each process and provide a comprehensive list of documents that should be produced or delivered throughout the processes.

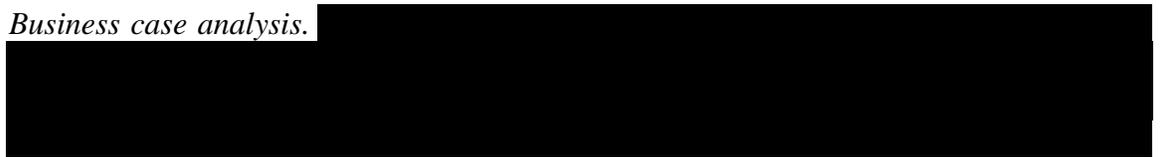
The GSE Management Board approved these deliverables on July 10, 2014.

GSE has undergone many changes and improvements both to its core business and to its support functions over the past few years. Over the course of component I implementation, GSE has undertaken significant change in two areas: upgrade and extension of the transmission lines, and adoption of changes necessary to comply with export and wheeling requirements (including the transportation of electric power over transmission lines). The export and wheeling of energy has required and will continue to require changes in the structure and relationships within and among actors in the energy sector, as well as improvements to GSE distribution capacity, safety, speed, and reliability.

Given that decisions on these operational processes are still evolving, and are largely outside of GSE’s manageable control, GSE decided not to address such processes with HICD PLUS. Together with GSE, HICD PLUS agreed that re-doing the core business processes (e.g. registration of contracts for transmission/dispatch services) would be unproductive before the redesign of the whole market model. In addition, GSE cannot predict what model will look like in its redesigned form.

Therefore, the project agreed to focus on supporting required processes that will contribute to and enable GSE to undertake the coming organizational changes that will be required with the market model. Both the decision making process to identify, frame, and decide on future projects (business case analysis) to extend and/or improve the transmission system and the decision, design, and implementation of modifications in operations (change management) were identified as processes that would be necessary and required detailed procedural steps. HICD PLUS developed detailed processes and procedures for (i) business case analysis and (ii) change management procedures. These tools will not only help GSE manage its current work, but also enable GSE to continue to improve and respond to new requirements.

*Business case analysis.*





*Change management procedures.* Similarly, as GSE's role and responsibilities change, it will require changes in behaviors, processes, and procedures within GSE and between GSE and its stakeholders including the Ministry of Justice, MOF, Ministry of Energy, energy union partners, and export clients. Thus, GSE decided that a substantial adjustment was needed in how GSE implements and manages change. Other donors and donor projects concurred, and HICD PLUS complemented to other donors' work by supporting the development of a project management approach for GSE to rely upon as they implement their current and future strategic plans to, for example, adopt a market model, negotiate with the EU and Turkey, and adopt new standards and ways of operating that are more in line with the EU.

### Component II

The purpose of this component was to improve the performance of GSE's internal audit department (IAD). A well-functioning IAD has the potential to facilitate improvements in operations and system performance. In addition, a modern internal audit approach can provides GSE senior management team with assurance and recommendations on improving governance, risk management, and control effectiveness across the organization.

HICD PLUS hired an international audit expert, Mr. Shawn Reynolds, to improve the work of GSE's IAD. Mr. Reynolds reviewed GSE's existing internal audit materials (audit manual, audit results, etc.) and interviewed and worked with the IAD members. GSE has a satisfactory internal audit manual, so much of Mr. Reynolds's initial work focused on determining the extent to which IAD's actual operations reflected the policies and procedures articulated in the manual. He also assessed IAD's compliance with international standards.

Mr. Reynolds determined that much of the framework for the IAD's effective operation was close to or in accordance with international standards. The recommendations he provided will assist IAD in reaching full compliance with international standards. The majority of the recommendations focus on helping the IAD formalize its procedures, documentation, and decision-making processes, ensuring a clear paper trail of all of its work.

Mr. Reynolds also developed a number of new performance indicators the department can use to monitor and evaluate its work.

HICD PLUS submitted the final report to GSE in June 2014 and will engage with GSE to facilitate the implementation of the recommendations.

### Component III

The third component focused on improving procurement capacities within GSE. HICD PLUS's initial intervention involved training 24 GSE staff in Incoterms (International Commercial Terms) in 2010. The Incoterms rules are internationally-recognized standards, and are used worldwide in international and domestic contracts for the sale of goods. These rules help traders avoid costly misunderstandings by clarifying the tasks, costs, and risks involved in the delivery of goods from sellers to buyers. It is vitally important for GSE to have a thorough understanding of Incoterms, to ensure compliance with international standards during cross-border electricity trades.

HICD PLUS subcontracted the International Chamber of Commerce (ICC) to deliver a customized training to GSE's procurement and contracts staff. Incoterms were developed by the ICC in 1936 and are maintained by the ICC.

The training took place over two days in April 2014. Testing from the 24 participants demonstrated a 102% average increase in subject matter knowledge.



*24 procurement and contracts staff from GSE attend the Incoterms training in April 2014.*

The second part of this component involved bringing an international procurement expert to Georgia to help GSE comply with international procurement standards. HICD PLUS selected Mr. Veaceslav Shokin, an international procurement consultant with extensive

experience with Georgian procurement legislation, as well as international standards and best practices. Mr. Shokin worked closely with GSE's procurement department to understand their current operating procedures, and also reviewed existing documentation to identify potential problems and missing forms and clauses. Mr. Shokin then redesigned GSE's Procurement Manual and developed necessary forms and templates.

Mr. Shokin trained GSE's procurement staff in: (i) correctly completing the procurement forms contained in the Procurement Manual and (ii) developing technical specifications. Better technical specifications will enable the procurement department to be more effective in procuring necessary goods in reasonable time and at a reasonable cost. Mr. Shokin also provided GSE with recommendations on procedural changes which would shorten certain procurement stages significantly.

HICD PLUS will continue to engage with the procurement department to ensure the new tools are being used, and to monitor any changes in the department's effectiveness.

#### Component IV

This two-phase component focused on improving GSE's workforce readiness. The first phase consisted of two parts: (i) delivering a Training of Trainers (TOT) course to GSE's staff to build their capacity to design and deliver effective trainings, and (ii) improving GSE's training needs assessment system. HICD PLUS delivered the TOT to nine GSE training staff in November 2013, and pre- and post-tests demonstrated a 130 percent increase in participants' knowledge. In addition, HICD PLUS gave GSE specific recommendations on how to improve the training needs assessment system.

The second phase involved two international workforce development experts working with GSE to help develop effective internship, new hire, and distance learning capabilities, and developing a wage/pay scale for technical staff.

#### **Georgian Oil and Gas Corporation**

HICD PLUS is also implementing an HICD program for the Georgian Oil and Gas Corporation (GOGC). GOGC was established in 2006 to advance the National Energy Champion business model by supporting Georgia's energy security and participating in international energy projects. GOGC focuses primarily on the exploration and production of oil and gas resources, as well as their transportation and sale. GOGC coordinates the secure operation of the existing oil and gas transportation infrastructure, and also oversees the design of new oil and gas pipelines, their construction, and further development.

HICD PLUS conducted an institutional performance assessment in May 2013 and produced four priority recommendations for GOGC: (i) re-engineer and integrate core processes; (ii) implement an automated work flow and document management system; (iii) develop and implement a personnel development system; and (iv) develop and

implement a performance management system. Of these, the following were initiated or completed during this reporting period:

#### *Reengineer and Integrate Core Processes*

A number of serious challenges currently prevent GOGC's operations from running efficiently. Non-integrated business processes are the first and most critical among them. The lack of integration creates barriers for smooth workflow, leading to a doubling of work and an unnecessary waste of time. HICD PLUS hired TBSC Consulting to optimize GOGC's core business processes. In total, 24 processes were prioritized for optimization. In August, a pilot process was presented to the GOGC project board, which the high level decision making body overseeing the project. The remaining 24 processes will be submitted to GOGC in three phases. The first eight processes were submitted to GOGC on October 10, 2014. GOGC is currently reviewing them. TBSC consultants are continuing to work on the remaining 16 processes that will be submitted to GOGC in October and November, 2014.

#### *Developing and Implement a Personnel Development System*

This component focuses on developing a Personnel Development System for GOGC. The system will help ensure GOGC has the staff capacity to fulfill its mission currently and in the future.

During the reporting period, HICD PLUS consultants developed and distributed a questionnaire for GOGC employees to collect the detailed information on their daily activities. The positions were evaluated and draft position descriptions developed. The draft job descriptions were shared with GOGC and their feedback was incorporated into the final deliverable. The upgraded position descriptions were submitted to GOGC on October 16, 2014 and GOGC is currently reviewing them. In addition, the consultants continue working on the two other deliverables: (i) opportunities for improvements in HR practices and (ii) position based grade/pay system.

In addition, HICD PLUS – in order to increase the productivity of GOGC's employees – assisted GOGC with developing a corporate intranet. Working closely with GOGC, our selected vendor developed a customized system for GOGC that went live in July 2014. The intranet will improve productivity by helping employees find and view information faster and fostering communication and knowledge-sharing.

#### *Exceptional request: Training on Incoterms 2010*

To improve the procurement capacity at GOGC, HICD PLUS subcontracted the International Chamber of Commerce (ICC) to deliver a customized training on Incoterms 2010 to GOGC's procurement and contracts staff. Incoterms were developed by the ICC in 1936 and are maintained by the ICC.

The training took place on July 12-13, 2014. Testing from the 10 participants demonstrated an 89% average increase in subject matter knowledge.

The implementation of two remaining components, (ii) implement an automated work flow and document management system, and (iv) develop and implement a performance management system, is pending USAID's further funding approval.

## SECTION III: TECHNICAL ASSISTANCE AND SECTOR ASSESSMENTS

### Technical Assistance to the Academy of the Ministry of Finance (Finance Academy)

In June 2014, HICD PLUS launched a new program for the Academy of the Ministry of Finance (Finance Academy). The Finance Academy is a legal entity of public law with a mission to provide the highest standard of business trainings for all segments of Georgian society. Its core competency is delivering trainings in finance, budgeting, accounting, audit, tax, marketing, and project management. As part of the Ministry of Finance of Georgia (MOF), the main priority of the Academy is to ensure the professional development of MOF employees and support the MOF's ongoing reform efforts. In addition, the Academy actively cooperates with other Government agencies and supports their development through staff trainings. The Academy is equipped with modern auditoriums, a conference hall, a library, computers, and language centers.

#### Year 3 Technical Assistance Recipients

- Academy of the Ministry of Finance (Finance Academy);
- Georgian Logistics Association (GLA);
- National Agency of State Property (NASP);
- Ministry of Finance (MOF);
- Georgian Revenue Service (GRS);
- Ministry of Environment Protection (MOEP);
- Disabled Child, Family, and Society (DCFS);
- Annual Program Statement (APS) Grantees;
- Ministry of Culture and Monument Protection (MOC);
- Ministry of Education and Science (MOES);
- Office of the State Minister for Reconciliation and Civic Equality (SMR).

The Academy's library is well-stocked with new books and materials, and is popular amongst the Academy's training participants. However, the Academy does not have a library management system (LMS) to allow users to search the library's collection and check out books and materials which impedes the library's usage. The Academy would also like to develop closer cooperation with other educational institutions in Tbilisi and enable students from those institutions to use books from the library. However, the absence of an LMS precludes this. The Academy needs to create an automated library management system to properly operate the library, connect it to other institutions, increase its usage, and minimize the misplacement of books. An LMS would support the Academy's educational mission and activities and provide a service to its training participants.

#### Phase I: Needs Assessment

In June 2014, HICD PLUS hired a local consultant to conduct a short-term needs assessment of the Academy, perform market research on library management options available in Georgia, and prepare recommendations to improve the library's functionality and performance.

The consultant met with the Academy's management and staff, assessed the library's internal capacity and resources, interviewed several other educational institutions in

Georgia, and examined the functionality of the systems they use. Based on the assessment of the Academy's needs and close examination of the electronic library management systems available on the market, the consultant recommended a web based solution called Evergreen.

### *Phase II: Setting up an Integrated Library Management System*

Currently we are reviewing proposals for this activity. As a result of the program, an Online Public Access Catalogue (OPAC) will be created with a functionality to manage back office operations, record keeping, circulation of books, and tracking check in and check outs. The project will also train the designated library staff on how to operate and maintain the LMS.

### **Technical Assistance to the Georgian Logistics Association (GLA)**

In December 2013, HICD PLUS began a program for the Georgian Logistics Association (GLA). GLA represents companies, organizations, and individuals actively involved in the business of logistics, transportation, and supply chain management. GLA is also the authorized Georgian representative of the Supply Chain Council (SCC), a global NGO whose framework, improvement methodology, training, certification, and benchmarking tools help member organizations improve supply chain performance.

GLA requested HICD PLUS support with a national promotional campaign they viewed as a crucial step in the growth and development of the Council and GLA. In response, HICD PLUS provided GLA with a consulting team composed of public relations and marketing consultants from the Georgian marketing company GEPRA.

HICD PLUS's assistance formally ended during this reporting period. During the five month program, GEPRA developed an action plan for a promotional campaign, a GLA expansion plan, recommendations for improvements to the GLA website, and a list of KPIs to measure the effectiveness of the campaign. GEPRA then helped the institution organize a series of promotional events to publicize GLA, including a seminar to introduce GLA to the media and raise journalists' awareness of logistics and supply chain issues, and an open lecture for university students to introduce them to the logistics and supply chain industry. For all of these events, GEPRA helped GLA secure placements in TV, print, and online media.

Results from the program include:

- The promotional campaign or GLA itself were featured 27 times over four months (March –June 2014) on TV, radio, print, or online media;
- 89.5% of invitees attended the events to which they were invited, surpassing our target of 60%.
- 72 individuals attended campaign events.
- The promotional campaign's online publications received 502 likes and/or shares.

A major impetus for implementing the campaign was to support GLA's membership growth. With the formal campaign events over, GLA will now utilize the expansion plan and new marketing tools from GEPRA to solicit new members. HICD PLUS will stay in contact with GLA in the coming months to track membership growth.

### **Technical Assistance to the National Agency of State Property (NASP)**

In March 2014, HICD PLUS began a program for the National Agency of State Property (NASP). NASP is a legal entity of public law under the Ministry of Economy and Sustainable Development that was formed in September 2012. Its main responsibilities include managing state-owned assets (including land and movable assets), managing state-owned enterprises (more than 400), and privatizing state property.

As a recently formed governmental institution, NASP's leadership is embarking upon a series of institutional reforms to transform it into a modern, service-oriented organization. The NASP organizational structure and operating procedures are not optimized and, as a result, their pace of work is typically slow and customers are often dissatisfied. NASP recognizes this challenge, and is eager to improve their performance. NASP's leadership, together with the USAID Economic Prosperity Initiative (EPI) project, asked HICD PLUS to provide support to NASP in their institutional capacity-building activities.

The objectives of the technical assistance program are to improve NASP's business processes; develop job descriptions for the NASP staff; improve internal communication, knowledge-sharing, and customer relations; develop key performance indicators (KPIs) to monitor performance; and train the NASP leadership in change management.

The program launched on March 31, 2014 and is being implemented by a team from the Policy and Management Consulting Group (PMCG). Most of the work focused on the business process reengineering component. The consultants met with performers and process owners to develop process descriptions for all three business directions (enterprise management, property management, and property disposal) and finalized drafts of the standard operating procedures for the selected business processes. To date, the team has described 63 business processes and developed optimized business flows and standard operating procedures for 60 business processes, which represents approximately 80 percent of NASP's business processes and sub-processes.

The team regularly updates NASP's leadership and staff on the business process assessment progress, focusing on the draft business process maps, data collection tools, examples of process instructions, major findings of the completed process analysis, and recommendations for improving/optimizing the existing business processes. The consultants will continue to regularly meet with the NASP managers and performers in the coming weeks to finalize optimization and formalization (creating detailed flowcharts and narratives) of the business processes.

The consultants also completed the following deliverables: a Knowledge Sharing Institutional System; HR Strategy; job descriptions' internal communication tools; and customer relations documentation.

Recognizing that making changes to some business processes will require corresponding legislative changes, HICD PLUS recruited a Georgian legal drafting expert in July. The consultant worked closely with the business process reengineering team and NASP's leadership to identify the necessary changes, and drafted four packages of legislative drafts to tackle the issues hindering optimized performance of the agency. The legislative drafts were reviewed by the NASP managers, and are currently being discussed with NASP's leadership.

The program is scheduled to end in October 2014.

### **Technical Assistance to the Ministry of Finance (MOF)**

The Ministry of Finance (MOF) of Georgia is striving to improve its forecasting abilities, particularly in the areas of fiscal and monetary forecasting. Currently, only MOF and the National Bank of Georgia (NBG) do this type of forecasting, but the current practices are rather narrow in both institutions. To address this constraint and improve the quantity and quality of forecasted and estimated indicators, MOF and its partners have chosen to support the strengthening of Georgia's forecasting capacity not only at MOF but also at universities. One of the ways GOG plans to do this is by establishing formal relationships between MOF and universities in the sphere of macroeconomic forecasting, and to improve forecasting through cooperation, knowledge exchange, and better use of existing resources. This is planned to be done by creating an interagency council composed of 10-15 macroeconomists. The members of the council will come from MOF and universities in Georgia, and their service will be voluntary.

MOF requested HICD PLUS assistance with this activity, specifically by providing international support to develop the calculation methodologies for the indicators MOF and universities will use to improve the forecasting process.

With USAID's approval, the project recruited Dr. Manouchehr Mokhtari, an international PhD macroeconomist with more than 20 years of relevant experience in more than 15 countries, including Georgia. During July and August, 2014 Dr. Mokhtari was involved in day to day work of the MOF Fiscal Forecasting Department and provided a final report which details methods of improving fiscal and monetary prognosis. The report also suggests calculation methodologies for a variety of indicators such as: forecasting inflation, GDP growth rate, and export and import equation. In addition, Dr. Mokhtari provided valuable recommendations on establishing an electronic system.

### **Technical Assistance to the Georgian Revenue Service (GRS)**

The Georgian Revenue Service (GRS) is a legal entity of public law of the Ministry of Finance of Georgia. GRS supports business in Georgia by forming a fair, simple, and

reliable tax administration system. The mission of GRS is to establish a transparent tax system and provide competent services and consultations to taxpayers.

GRS has recently embarked on a wide-ranging project to reform their audit department. GRS officially announced that effective January 1, 2015, alternative audit will be discontinued and the audit services will be performed by the designated Revenue Service auditors. This major change will require GRS to attract and retain high level professionals to achieve the highest standard of the tax audit. The success of the reform largely depends on trainings and the professional development of the existing auditors and new hires. To ensure the efficient coverage and collection of legitimate tax revenue, GRS requested HICD PLUS support in training 100 existing and 58 newly required auditors. The eight-month program will train existing staff in International Financial Reporting Standards (IFRS), while training newly recruited employees in financial accounting and business taxation, as well as IFRS. The training program was launched in mid-October 2014 and will last till mid-June 2015.

### **Technical Assistance to the Ministry of Environment Protection (MOEP)**

In the summer and fall of 2013, HICD PLUS helped the Ministry of Environment and Natural Resources Protection of Georgia (MOEP) recruit approximately 1,200 new staff. HICD PLUS's support helped the Ministry plan and implement a transparent and competitive recruitment. Activities included developing interview questions and scoring sheets, and coaching the MOEP staff on proper interviewing techniques.

Once the recruitment neared completion, the Ministry requested HICD PLUS help in developing five training modules for more than 750 of the new staff, specifically new rangers and field inspectors. With USAID support, HICD PLUS designed a program to (i) hire external environmental specialists to provide subject-matter expertise, (ii) train these specialists and the MOEP staff in modern instructional design and delivery techniques, and (iii) oversee course development. This approach gave the Ministry and Georgia's leading environmental experts sustainable training skills.

In November 2013, HICD PLUS delivered a TOT to 10 participants to build their capacity to design and deliver effective training programs. Pre and post-tests showed a 42% average increase in participants' knowledge. The group then broke into teams and began developing five modules:

- Relevant national regulations to be applied by rangers and necessary technical skills for performing their duties (the ability to determine local biodiversity, supervising the implementation of regulations by local communities, drafting acts, etc.);
- Practical knowledge and skills on tools to implement environmental legislation in the context of the environmental inspection cycle, for the prevention of violations, and response measures;
- Geographic Information Systems (GIS);
- Relevant national legislation; and

- The identification of mammal species and appropriate hunting equipment.

All five modules were completed in March 2014. MOEP is currently delivering trainings to rangers using the modules developed with the HICD PLUS assistance.

### **Capacity Building Program for Disabled Child, Family, and Society (DCFS)**

In September 2013, HICD PLUS began supporting a Georgian NGO – Disabled Child, Family, Society (DCFS) – to help build its capacity and enable it to manage a large USAID grant. DCFS’s mission is to create equal opportunities for disabled children’s development to help realize their potential and be integrated into society. The program included five components:

1. Financial management;
2. Procurement of goods and services;
3. Important policies (environmental compliance, gender, etc.);
4. Monitoring and evaluation;
5. Study Tour to the United States to learn about the education of children with hearing and vision impairments.

HICD PLUS staff and external financial management experts implemented the first four components in November and December 2013. The study tour to the United States took place from March 15 to March 29, 2014. The objectives of the study tour were to:

- Increase participant awareness in modern methods of teaching children with hearing and vision problems;
- Introduce program participants to new technologies and assistive devices for children with visual and hearing problems;
- Obtain learning materials, textbooks, curricula, and other course materials from the U.S. school teachers;
- Offer the opportunity for direct school-to-school and/or teacher-to-teacher partnership between U.S. universities and Georgian schools and universities.

During the two weeks, 17 participants visited Gallaudet University and the Perkins School for the Blind, depending on their professional focus. The participants included teachers for blind and deaf or hard of hearing students, the DCFS staff members, and a representative of the Ombudsman Office.

DCFS is planning to invite experts from Perkins and Gallaudet to Georgia to share their U.S. experience with school teachers for the blind and visually impaired. This will improve the learning process, as well as communication between teachers and their students.

## **Capacity Building Program for the Annual Program Statement (APS) Grantees**

In September 2013, USAID approached HICD PLUS to explore whether the project would be a good mechanism to support the organizational strengthening of four Georgian CSOs that were under consideration for USAID grants. USAID had performed initial assessments of the CSOs and determined that each CSO had areas for improvement that precluded them from receiving grant funding until the issues were resolved. Key areas for improvement included financial systems, procurement, and human resource management. Although HICD PLUS had not previously done an activity of this nature, the project was able to use previous capacity-building experience and flexibility to support USAID's Forward agenda and enable direct grants to local organizations.

Similar to the DCFS program, HICD PLUS designed a customized program to provide the CSOs with the support they needed. HICD PLUS delivered training modules in financial management, asset management, procurement, travel and transportation, human resource management, report writing, monitoring and evaluation, and gender. An environmental specialist from another USAID project implemented by Chemonics in Georgia delivered training on environmental compliance. The training was followed by hands-on work to help the CSOs develop the new manuals and other necessary tools. By the end of December 2013, the CSOs had new finance, human resource, and procurement manuals developed in accordance with the latest Georgian Labor Code, Revenue Service requirements, and USAID regulations.

In early 2014, USAID reassessed the CSOs and awarded grants to three of the four organizations. The fourth organization still needed to address certain internal issues, and which prevented USAID from issuing a direct grant to the organization.

[REDACTED]

[REDACTED]

## **Technical Assistance to the Ministry of Culture and Monument Protection (MOC)**

In June 2014, HICD PLUS began a technical assistance program for the Ministry of Culture and Monument Protection of Georgia (MOC). MOC was established in 2010 as a result of GOG restructuring activities. The former Ministry of Culture, Monuments Protection, and Sports was split into two separate agencies: the Ministry of Sport and Youth Affairs and MOC. MOC's main functions include: promoting Georgian culture internally and worldwide; protecting monuments; supporting various cultural events; popularizing Georgian art, music, and dance; supporting cultural educational programs; and implementing other strategic objectives of the GOG in the cultural field.

The Ministry requested HICD PLUS's support in the following areas:

1. Improving the Ministry's public relations activities;
2. Improving the processing of applications for funding;
3. Formalizing and optimizing the Ministry's internal operations.

The team of consultant from TBSC started their work with the Ministry in June 2014. However, HICD PLUS assistance was suspended due to the change of leadership at MOC. In July 2014, the new minister was appointed and the HICD PLUS intervention continued. The project presented the technical assistance program to the new minister and management team, who requested an amendment the scope of work due to the Ministry's new priorities. The request was approved by USAID, and the amended scope of work TBSC will produce the following deliverables:

- Organizational assessment that recommends structural changes to improve performance, as needed;
- Application processing procedures;
- Application standards and service level agreements;
- Monitoring and evaluation mechanism for funded applications;
- Package of job descriptions;
- Recommendations to improve the effectiveness of PR;
- Alternative organizational designs;
- Advantages and disadvantages of each alternative design with MOC;
- Follow-up activities needed to facilitate a final decision by the Minister;
- One-step-down design (to the units within departments).

As of this report, the team of consultant conducted the organizational assessment at MOC, and developed recommendations that will help the PR department to improve its performance. HICD PLUS is currently reviewing the deliverables, which will be submitted to MOC and USAID once they are finalized.

### **Technical Assistance to the Ministry of Education and Science (MOES)**

In January 2014, USAID approached HICD PLUS with a request to support the Ministry of Education and Science (MOES) with an upcoming research activity. Georgia has pursued conceptual and structural reforms in the education and science system since 2003 to improve the national research management system. As the structure and funding of scientific work grows more complex, the Ministry is seeking to improve research policy planning and assessment mechanisms. In addition, the Ministry hopes to develop a comprehensive evaluation system based on diversified performance indicators with clearly defined targets supported by international benchmarking.

The goal of this research activity was to develop a snapshot report of the national research output from 2006 to 2013, which would serve as preparation for a comprehensive analysis of the national research performance, to be conducted by MOES in 2015.

HICD PLUS launched the program in April 2014. The project contracted an international PhD research specialist, Karim Medjad, to lead and guide the research analysis on behalf of the Ministry. The Ministry provided a team of Georgian researchers who conducted the majority of the data collection and analysis.

Mr. Medjad conducted two field visits to Georgia from April to May 2014. During these visits, he met the local researchers, representatives of MOES, universities, and various research entities. The team then prepared the snapshot report and presented the findings and recommendations to the Minister and Deputy Minister of Education and Science, the Deputy Minister of Economy, and the head of Georgia's new innovation agency.

The research team offered recommendations and guidance on how best to address these challenges and discussed several potential models for research evaluation in Georgia.

### **Technical Assistance to the Office of the State Minister for Reconciliation and Civic Equality (SMR)**

In January 2014, the State Minister for Reconciliation and Civic Equality (previously State Minister for Reintegration) of Georgia (SMR) approached USAID with a request to contract an international expert to assist SMR in policy development and evaluation through analysis and expert policy advice. This potential engagement is similar to one that HICD PLUS performed from 2011 to 2012, when the project provided SMR with a conflict analysis and resolution expert from the U.S., who advised SMR on issues related to engagement with the disputed territories of South Ossetia and Abkhazia.

HICD PLUS contracted Dr. Marian Staszewski, a Polish diplomat with extensive first-hand experience with the issues related to, and stakeholders involved with the disputed territories. Dr. Staszewski's assignment will last from May 2014 to May 2015. While the majority of his support will be provided from abroad, it is planned that he will make up to five visits to Georgia, which will be scheduled as needed.

In June 2014, Dr. Staszewski conducted his first trip to Tbilisi, during which he met with the SMR leadership and other stakeholders, including international missions, diplomats, and local NGOs. The meetings from this first visit created the basis for the first discussion paper Dr. Staszewski produced in July 2014. The document was directly submitted to SMR because of its confidential nature.

## SECTION IV: PARTICIPANT PROCESSING SERVICES

HICD PLUS provides Participant Processing Services (PPS) to all USAID implementing partners in Georgia. These services include language testing, medical certification, health insurance enrollment, security risk inquiry, J-1 visa processing, pre-departure orientation, and participant data reporting.

### **100% Customer Satisfaction**

The project continues to enjoy a 100% satisfaction rate (based on surveys that Exchange Visitors complete) after processing 134 Exchange Visitors to date.

HICD PLUS processed 56 exchange visitors (EVs) traveling to the United States this year, on behalf of seven USAID implementing partners.

From the beginning of the project, HICD PLUS started a practice of holding in-person pre-departure orientation sessions for every EV before they leave. HICD PLUS held 11 orientation sessions in Year 3. During these sessions, project staff provide the EVs with their passports, valid J-1 visas, DS 2019 forms, invitation letters, health and accident coverage insurance IDs, and related documents. The project also developed a tip sheet on important points to remember that is also distributed during the orientation.

## **SECTION V: MONITORING, EVALUATION, AND GRADUATION**

### **Decision Framework**

The Decision Framework, developed by the project in early 2013, is used as a basis for deciding which of several actions to take at critical stages in the HICD process. The Framework helps ensure that USAID, the HICD PLUS project, and the leadership of the partner institution are confident that capacity development support is not withdrawn prematurely or extended beyond the required need. The Decision Framework fills a significant void, as no standardized, rigorous system existed to make these types of decisions for other USAID HICD projects. HICD PLUS developed a reporting tool based on the Decision Framework that is completed at relevant milestones in the HICD process to monitor the progress of HICD interventions.

During this reporting period, two HICD PLUS partner institutions – Georgian Microfinance Association (GMA, formerly MISO) and GSE – reached decision points. As the result of the decision framework reviews, HICD PLUS recommended and USAID approved:

1. The HICD program for GMA to be completed, and
2. The HICD program for GSE to be continued.

### **Performance Monitoring Plan (PMP)**

The project's performance monitoring plan uses a combination of output and outcome indicators to track the efficiency and effectiveness of project interventions and includes a Results Framework and Indicator Reference Sheets. Please see the Results Reporting Table in Annex A below for the status of each indicator.

### **Performance Monitoring and Evaluation System (PMES)**

In early 2012, HICD PLUS completed the performance monitoring and evaluation system (PMES). The PMES is a custom-designed, web-based system that enables the project's partner institutions to regularly and easily monitor their institutional performance by tracking the change over time of key indicators. The indicators are selected by the partner institution and are useful metrics by which the institution can measure their performance. The system is based on open-source technology, which enables partner institutions to have complete ownership of the system and prevents them from having to pay licensing fees.

One of the criteria included in the Decision Framework described above is whether or not the partner institution has institutionalized the PMES. This is an important factor because it reveals the extent to which the organization has embraced the need for monitoring and evaluating its performance. HICD PLUS therefore works closely with each HICD partner to institutionalize the PMES into their daily operations. Depending on the partner

institution's capacity, this may also include training to build the M&E capabilities of key partner staff.

During year 2 of the program, the project's monitoring and evaluation (M&E) specialist worked with GMA to institutionalize their PMES. This included, but was not limited to, working with GMA to finalize primary and secondary data collection methods for GMA's KPIs; data entry for the KPIs in the PMES; and ongoing training for GMA's HICD Champion on data collection methods and data quality assessment techniques.

The PMES is considered institutionalized if the partner institution meets the criteria set in the assessment tool that is completed at the end of the HICD intervention. The assessment tool is a five-item instrument completed by the M&E specialist which captures how recipients are using the PMES as a management tool and measures the frequency and accuracy of data entry, data analysis, and/or evidence of revised procedures or practices resulting from analyzed data. HICD PLUS determined that GMA had met the criteria for institutionalizing the PMES in the fall of 2013.

During year 3 of the program, the project's monitoring and evaluation (M&E) specialist worked with current HICD partner GSE, and former HICD partner, GMA, on M&E issues. This involved working with the microfinance association to finalize their 2014 KPI data, and working with GSE to finalize their KPIs and enter them into the PMES. HICD PLUS also made a number of updates to the PMES based on lessons learned during the past two years of use. These updates enhance the system's functionality and allow it to be more user-friendly.

Please see PMES updates for GMA and GSE in Annex D.

### **Return on Investment (ROI) Study**

The GSE Impact Study covers all four components of the GSE HICD program. The M&E specialist concluded the evaluation planning stage of the study, including reviewing objectives and developing evaluation plans for the four components of the Program; and identifying baseline data for the impact measures. The M&E specialist launched the data collection stage in September, including 12 in-depth in-person interviews with the Managers of the Performance Planning and Management Component (component 1), Internal Audit Department (component 2) Procurement Department (component 3), and Training Department (component 4). The M&E specialist designed and distributed the questionnaires for all 4 components in September. Aiming to increase the questionnaire response rates, the data collection stage will last till the end of October. HICD PLUS will share the findings of the impact study in the project's next Quarterly Report.

## **SECTION VI: SPECIAL FOCUS ON LOCAL CAPACITY BUILDING**

USAID's new strategy for high-impact development, USAID Forward, calls for implementers to invest in country-owned models of inclusive development and build sustainable capacity in the countries where USAID works. Through this strategy, USAID places a renewed emphasis on local capacity building so that U.S. assistance strengthens the actors and institutions responsible for transforming their countries. The HICD PLUS project is committed to USAID's goal of strengthening local capacity and incorporates this vision into the project in several innovative ways.

### **Building Implementation Capacity**

One of the main ways HICD PLUS supports building local capacity is by engaging Georgian service providers to design and deliver the majority of the assistance HICD PLUS provides to our Georgian partners. This happens under the close supervision, mentorship, and coaching of HICD PLUS. The project also frequently pairs Georgian subcontractors with international experts to further their learning. This process is helping to develop Georgian business service providers and ensure that there is a broad and capable base of expertise to provide capacity-building services into the future.

### **Indefinite Quantity Subcontract Procurement**

Most of the project procurement happens through an Indefinite Quantity Subcontract (IQS), which is an umbrella contract that enables HICD PLUS to issue solicitations to a pre-approved list of eligible organizations and quickly make subcontract awards. Our first IQS launched in December 2011 and included five approved consortia composed of 28 Georgian organizations. We issued 10 subcontracts during the two-year period. In December 2013, we issued a second IQS to seven consortia composed of 25 organizations, including consulting companies, research centers, think tanks, NGOs, associations, ICT firms, and an educational institute. A list of the new consortia is included in Annex B.

### **Subcontractor Evaluations**

HICD PLUS takes its role to develop the capacity of Georgian service providers seriously by taking extra steps to provide feedback and learning opportunities. For example, HICD PLUS provides written debriefs to Georgian service providers when their proposals to HICD PLUS are unsuccessful. These debriefs – modeled on the debriefs USAID provides to its implementing partners – provide clear feedback to the organization on their proposal's strengths and weaknesses, thus enabling them to gain a better understanding of donor perspectives and expectations.

## SECTION VII: LESSONS LEARNED AND RECOMMENDATIONS

*Continuous follow-up and engagement.* Making meaningful performance improvements in an organization takes time. While some actions (such as automating a previously manual process) can yield quick results, institutional-level changes are often not seen until weeks, months, or sometimes even years later, as the changes put in place filter throughout the organization. Organizations also often need continuous support as they roll-out changes and deal with the inevitable questions and problems that arise.

Both of these realities mean that the partner organizations need engagement after the conclusion of HICD PLUS's formal projects with them. For instance, the design of several HICD PLUS activities is such that we deliver action plans or recommendations to our partner organization, and the impetus is upon the partner organization to implement them. When this is the case, the project continues to stay engaged with the organization to ensure that the solutions proposed are working, and to provide technical assistance when necessary. In doing so, HICD PLUS helps to ensure USAID's investment in sustainable solutions. This engagement is also necessary to capture the impact when solutions start to produce measurable performance improvements.

## ANNEX A: RESULTS REPORTING TABLE

Performance Indicator Name	Baseline	Year	Program Year 1 2011-2012				Program Year 2 2012-				Program Year 3 2014				Program Year 4 2014-2015			Notes
		Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<b>Components 1 &amp; 2: HICD Interventions, Technical Assistance, and Sector Assessments</b>																		
1.1.1: # of civil society (other) organizations using USG assistance to improve internal organizational capacity	0	Target	12				15				18				20			Numbers for Years 1 & 2 include participants from 16 CSOs in the Leading through HICD (LTHICD) program. Each CSO is counted only once. An additional 12 project counterparts are included: GMA, GARB, GISS, GRASS, ISET, GEA, GLA, DCFS, Article 42, WIC, Life Chance, and ICCN.
		Actual	n/a	11	19	19	22	22	23	23	28	28	28	28				
1.1.2: # of persons completing USG-funded workforce development programs	0	Target	42				64				72				77			Year 1: 59 participants in the Leading through HICD program. Year 2: two participants of the Private Equity and Venture Capital Training for the Partnership Fund, 152 participants from MOLHSA, 48 participants of the project management training for GSE, and 60 interview panel members from MOEP. Year 3: 10 participants of the TOT program from MOEP, 4 participants of the advanced project management training from GSE, 15 participants of the capacity building program for DCFS, 28 participants of the capacity building program for the four APS Grantees, 12 participants of the U.S. study tour on the education of children with hearing and vision issues, 24 participants of the Incoterms training for GSE; 10 participants of the Incoterms training for GOGC.
		Actual	n/a	43	54	59	213	213	261	321	378	390	414	424				
1.1.3: # of public/government institutions receiving HICD or TA assistance	0	Target	4				8				12				14			Results to-date include GSE, SMR, MRA, MOLHSA, NCEQE, Legal Issues Committee under the Parliament of Georgia, MOEP, GOGC, NASP, MOES, MOC, Finance Academy, MOF, and GRS.
		Actual	n/a	1	3	4	5	8	8	8	9	9	12	14				

1.1.4: % of HICD partner institutions meeting HICD PLUS's graduation criteria	0	Target	n/a				100%				100%				100%			This indicator measures the % of partner institutions that receive an HICD intervention and that successfully meet the pre-defined criteria to terminate the HICD assistance. The intervention with GMA. GMA met the graduation criteria. The HICD intervention with GSE will be complete by December 2014.
		Actual	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100%	n/a	n/a	n/a	n/a			
2.1.1: % of local service providers completing the HICD PLUS training program	0	Target	80%				n/a				n/a				n/a			This is not a life of project indicator. The score is calculated one time (Q4) of Year 1
		Actual	n/a	n/a	n/a	83%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
2.1.2: Change in capacity of local service providers	n/a	Target	10%				n/a				n/a				n/a			The average % change in capacity is based on Modules 1 through 10 of the LTHICD.
		Actual				20%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a				
2.2.1: % of HICD recipients that have institutionalized the PMES	0	Target	n/a				100%				100%				100%			PMES is considered institutionalized if the partner institution meets the criteria set in the assessment tool that is completed at the end of the HICD intervention. GMA met the graduation criteria. The HICD intervention with GSE will be complete by December 2014.
		Actual	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100%	n/a	n/a	n/a	n/a			
<b>Component 3: Participant Processing Services</b>																		
3.1.1 # of persons processed through PPS	0	Target	40				80				120				160			To-date: 63 male, 71 female.
		Actual	n/a	20	n/a	26	46	61	68	78	90	123	133	134				
3.1.2 Satisfaction with PPS services	0%	Target	80%				80%				80%				80%			
		Actual	n/a	100%	n/a	100%	100%	100%	n/a	100%	n/a	100%	100%	n/a				

Note: Annual targets and actuals are cumulative

## ANNEX B. HICD PLUS IQS II (2013-2015) HOLDERS

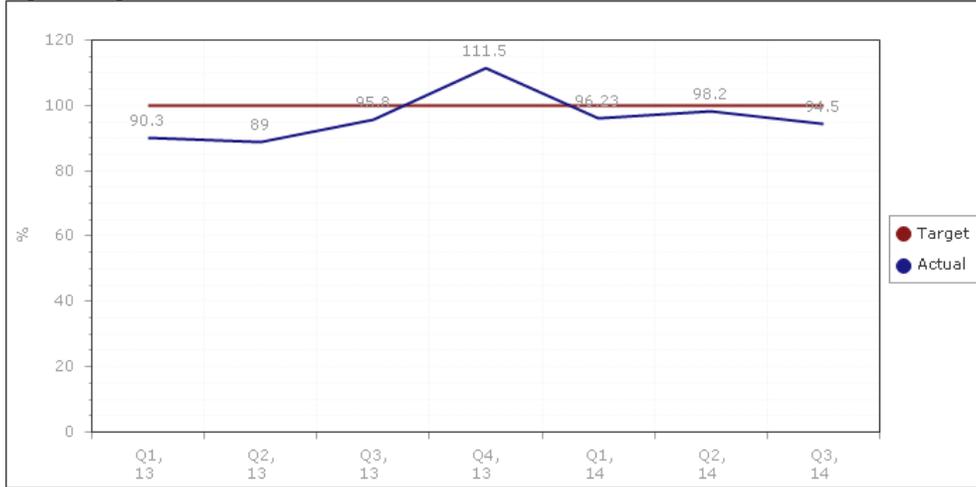
IQS Holder	Consortia Members (if any)
1 GEC Development Corporation	Business Consulting Group (BCG) Research Information and Technology Solutions (ITS) Softline Georgia Market Intelligence Caucasus Golden Fleece Capital Adelante Key Management Solutions IdeaLIST Propaganda HQ
2 Policy and Management Consulting Group (PMCG)	Integrated Management Group (IMG) GEPRA Management Academy Association of Young Economists of Georgia
3 Center for Training and Consultancy (CTC)	Partners Georgia Georgian Institute of Public Affairs (GIPA)
4 PMO	Synergy Group Caucasus Environmental NGO Network (CENN) Health Research Union
5 Tbilisi Business Service Center (TBSC)	n/a
6 SMART Consulting	n/a
7 Georgian Management Consulting Group (GMCG)	n/a



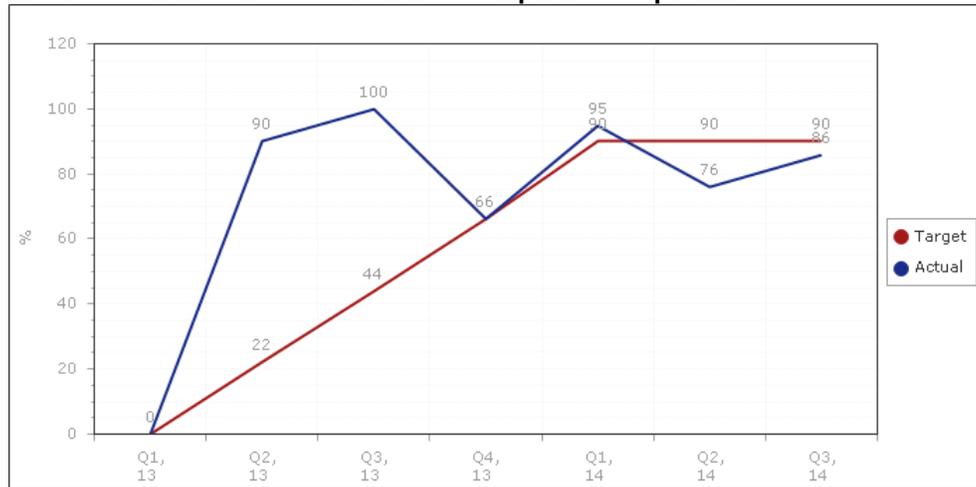
# ANNEX D: PMES SCREENSHOTS

## GEORGIAN MICROFINANCE ASSOCIATION

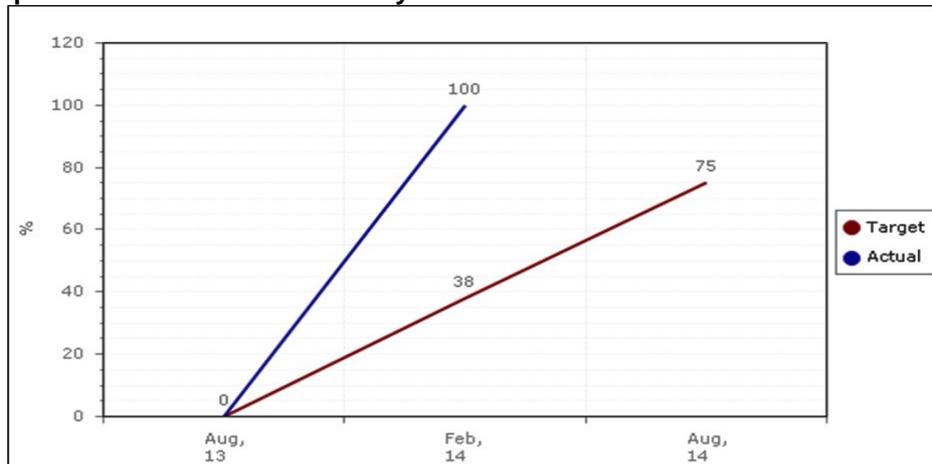
### Budget Target Met



### Scheduled activities the association accomplishes as planned

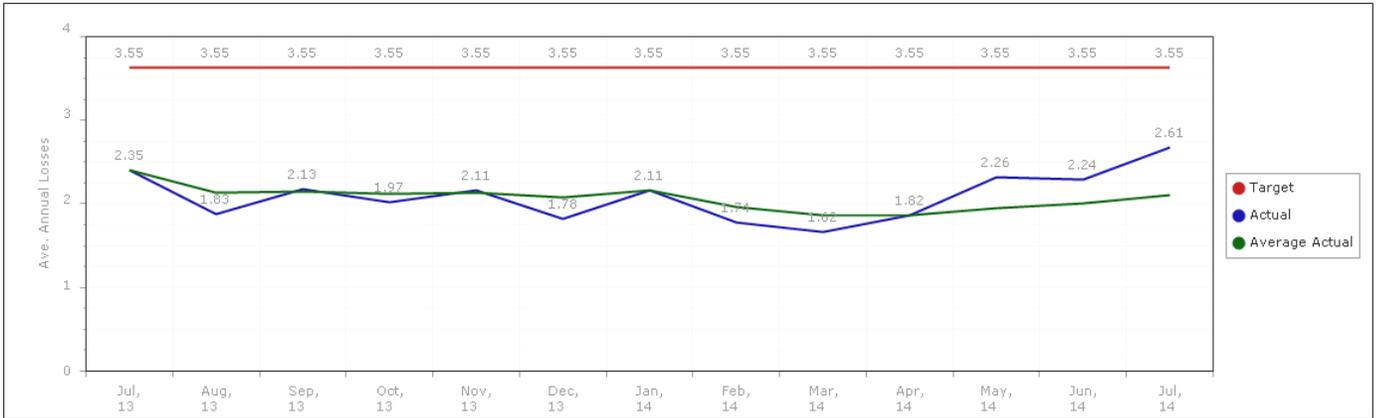


### Acceptance of the Code of Ethics by Members

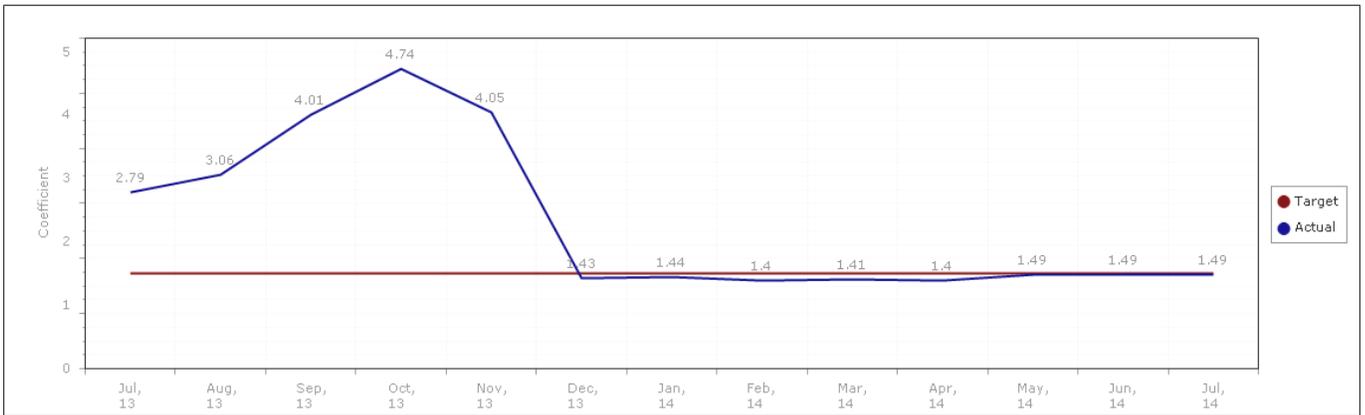


# GEORGIAN STATE ELECTROSYSTEM

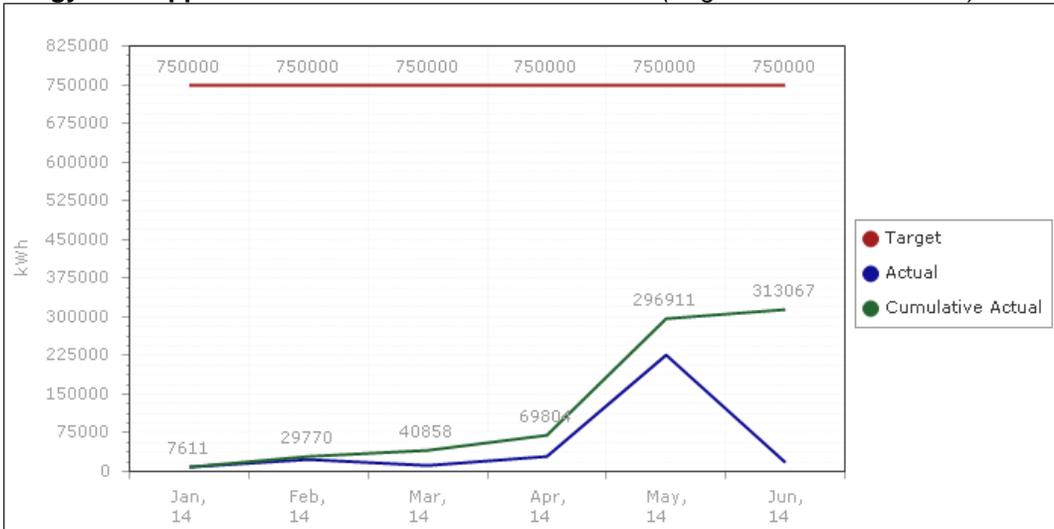
## Network losses (target is 3.55 or below)



## Liquidity ratio (target is 1)



## Energy not supplied to local customers due to faults (target is 750000 or below)



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Caucasus Mission  
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