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Impact Evaluation of the Georgian New Economic Opportunities (NEO) Project

Report on the Baseline Impact Evaluation of NEO's Local Economic Development Interventions

June 27, 2012

This publication is made possible by the generous support of the American people through the United States Agency for International Development (USAID/Georgia) under the Impact Evaluation for New Economic Opportunities (NEO) Project implemented by Banyan Global, Counterpart International and United Nations Association of Georgia (Contract #AID-114-C-12-00004). The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.

**IMPACT EVALUATION OF THE GEORGIAN NEW ECONOMIC OPPORTUNITIES
(NEO) PROJECT**

**REPORT ON THE BASELINE IMPACT EVALUATION OF NEO'S LOCAL
ECONOMIC DEVELOPMENT INTERVENTIONS**

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United States Agency for International Development (USAID/Georgia)

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June 27, 2012

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1. EXECUTIVE SUMMARY

1. a) Introduction

This report presents the findings from the initial baseline round of the impact evaluation of the Georgia New Economic Opportunities (NEO) local economic development (LED) interventions. The LED impact evaluation uses a longitudinal, quasi-experimental design implemented through a mixed-method (quantitative and qualitative) approach. It includes a household survey of 462 treatment households and 462 control households in 10 municipalities, 43 communities, and 50 villages together key informant interviews and focus group discussions with project stakeholders in selected treatment communities. The baseline evaluation round was conducted during June-July 2012 with a mid-term evaluation round planned for November–December 2013 and an endline evaluation round scheduled for approximately March 2015.

The impact evaluation of NEO LED interventions is designed to provide rigorous and credible evidence to answer the following three research questions:

1. *How effective and sustainable was the community and municipality economic development planning methodology and approach developed and used by the project? To what extent did the project result in: (a) incorporating community-level economic development priorities into higher-level municipal economic development plans and (b) leveraging GOG and/or other donor funding to finance the implementation of these plans?*
2. *What was the economic impact or change of income status of community members in a benefiting community as a result of the small infrastructure projects and in-kind procurements?*
3. *Did the project affect men and women in the communities differently?*

In addition to the above research questions, the LED impact evaluation seeks to measure a variety of other research hypotheses related to the impact of LED activities on citizens' perceptions of local government, perceptions of and participation in civic affairs and knowledge and perceptions of community economic planning. In particular, we test the following additional 25 research hypotheses:

Perceptions of Local Government

1. *Participation in LED activities increases citizens' perceptions of the importance of local government compared to citizens in non-project communities.*
2. *Participation in LED activities increases citizens' interest in local government compared to citizens in non-project communities.*
3. *Participation in LED activities improves citizens' opinions of local government compared to citizens in non-project communities.*
4. *Participation in LED activities improves citizens' opinions of local government service delivery compared to citizens in non-project communities.*

5. *Participation in LED activities increases citizens' knowledge of local government's role in local service delivery compared to citizens in non-project communities.*
6. *Participation in LED activities increases citizens' willingness to turn to local government to solve village problems compared to citizens in non-project communities.*
7. *Participation in LED activities improves citizens' perceptions of local government effectiveness compared to citizens in non-project communities.*
8. *Participation in LED activities improves citizens' satisfaction with specific local government officials compared to citizens in non-project communities.*

Civic Engagement

9. *Participation in LED activities increases citizens' interest in village affairs compared to citizens in non-project communities.*
10. *Participation in LED activities increases citizens' participation in village affairs compared to citizens in non-project communities.*
11. *Participation in LED activities increases citizens' knowledge about how to get involved in village affairs compared to citizens in non-project communities.*
12. *Participation in LED activities improves citizens' attitudes about civic engagement compared to citizens in non-project communities.*
13. *Participation in LED activities increases citizens' perceived responsibility for solving village problems compared to citizens in non-project communities.*
14. *Participation in LED activities increases citizens' participation in civic affairs compared to citizens in non-project communities.*
15. *Participation in LED activities increases citizens' frequency of contacting local government officials compared to citizens in non-project communities.*
16. *Participation in LED activities increases citizens' satisfaction with their interactions with local government officials compared to citizens in non-project communities.*
17. *Participation in LED activities increases citizens' likelihood of contacting local government officials in the future compared to citizens in non-project communities.*

Community Economic Planning

18. *Participation in LED activities increases citizens' awareness of community-based infrastructure projects compared to citizens in non-project communities.*

19. *Participation in LED activities increases citizens' support for public discussions about community-based infrastructure projects compared to citizens in non-project communities.*
20. *Participation in LED activities increases citizens' attendance of public discussions about community-based infrastructure projects compared to citizens in non-project communities.*
21. *Participation in LED activities increases citizens' awareness and knowledge of local economic development plans compared to citizens in non-project communities.*
22. *Participation in LED activities increases citizens' awareness and knowledge of local economic development plans compared to citizens in non-project communities.*
23. *Participation in LED activities increases citizens' awareness and knowledge of local economic development plans compared to citizens in non-project communities.*
24. *Participation in LED activities improves citizens' attitudes towards local government and civic engagement compared to citizens in non-project communities.*
25. *Participation in LED activities increases citizens' likelihood of participating in civic affairs compared to citizens in non-project communities.*

Research hypotheses 1-8 measure different dimensions of the following NEO impact indicator found in the NEO Causal Pathway:

- *20% increase in adult perception in local governments' ability to provide responsive services.*

The purpose of the baseline evaluation round is to establish the original conditions at the beginning of the LED interventions. It is important to note that the baseline evaluation round is not intended to answer the above evaluation questions and research hypotheses. Rather its purpose is to establish and report the original conditions among treatment and control households at the beginning of project activities.¹ We can answer the evaluation questions and research hypotheses only after completing follow-up research rounds, which will allow us to compare the relevant changes that have occurred over time among treatment and control households.

Another purpose of the baseline evaluation round is to establish the extent to which the treatment households and households are similar to each other. The sampling plan was developed so as to maximize the similarity between the two groups and thus minimize the extent of selection bias in the sample. The baseline survey results will allow us to make a judgment as to whether our sampling plan was successful in achieving this objective.

¹ At the time of the baseline survey, LED activities had begun in 14 of the 24 treatment communities. For practical reasons, it was not feasible to exclude these communities from the pool of potential treatment communities. In any case, we believe that the LED interventions were still relatively new enough in all the treatment communities that little impact in key outcome variables would have already occurred at the time of the baseline.

1. b) Baseline Findings

1. b) i) Household Demographics

The typical survey respondent is 55 years old, moderately more likely to be female, married, the household head or married to the household head, have completed secondary education, come from a household with 3.7 members and 1.9 income earners, and rely on farming or a pension as his or her primary source of income. Nearly all of the respondent households are local residents (non-IDPs) and ethnic Georgian.

1. b) ii) Household Economic Conditions

Treatment and control communities are similar in terms of respondents' assessment of their financial and economic conditions. The majority of respondents in both groups think that their financial conditions are 'bad' or 'very bad' and consider themselves to be 'poor' or 'very poor.' Respondents' assessments are supported by other survey findings, such as ownership of household assets, daily expenditures on food and other household expenses. In terms of their financial conditions, one-half of respondents say that they have not changed in the last 12 months, while another one-half say that they are either slightly or significantly worse. Respondents, however, are more optimistic of their future household conditions with over 90% saying that they expect them to remain the same or slightly improve.

In terms of asset ownership, 76.6% of respondent households own a color TV set and 43.9% own a refrigerator but relatively few own other household goods, such as a washing machine, car, vacuum cleaner, air conditioner, or satellite dish. The average daily per capita household expenditures equals GEL 2.78, 65% of which is spent on food. Almost two-thirds of the households say they 'just got by' with their incomes over the past 12 months. Because of the financial issues, respondents occasionally have had to limit the consumption of meat/chicken/fish and healthcare services, while nearly a quarter of respondents had to borrow money to pay their household expenses in the last 12 months.

Almost two-thirds of respondent households have applied for government-provided social assistance over the past year, while more than one quarter received an average of GEL 780 in social assistance for the entire year or during some period over the last 12 months. Another 40% of respondent households participated in government run health insurance over the last 12 months. Just under 100% of the households that have received social assistance or participated in government-run health insurance programs think that this assistance is important or very important.

Nearly 100% of respondent households own their home and have electricity in their house. The average house occupies 4.1 rooms and 2.5 bedrooms and 86 square meters. One half of respondent households have either a landline or mobile phone, while fewer than 10% have central heating or access to the Internet.

Respondent households own on average 1.3 plots of productive land with an average size of 0.27 hectares. One third of respondents cultivate corn followed in importance by walnut/nut (19%), followed and beans (16.4%).

Respondent households own on average eight poultry, one cow, and one calf, while 64% of respondents have owned poultry over the past year; 59% owned a cow and 34% have owned a calf.

1. b) iii) Perceptions of Local Government

More than a half of respondents believe that Gamagebeli is primarily responsible for solving local community concerns followed at a large distance by the Sakrebulo Chairman, central government, Rtsmunebuli, Sakrebulo Council member, and Regional Governor.

Respondents' assessment of local government's impact on their daily lives is quite diverse. Around 60% of respondents think that local government has an important impact on their everyday lives, while the remaining 40% think that local government has a very little or no impact at all.

Respondents demonstrated very low interest in local government. Three-quarters of respondents say they have very little or no interest in what is going on with their local government, while only one-quarter of respondents are 'more or less' or 'very interested' in their local government. Respondents on average are neutral when asked to rate the efficiency, fairness, and trustworthiness of their local government.

On average, respondents are dissatisfied the local government services. The highest rated service is access to clean drinking water, but even in this case, the respondents are neither satisfied nor dissatisfied. At the other end of the spectrum, respondents are least satisfied with cultural activities. Respondent households are most satisfied with their access to potable water and least satisfied with cultural activities and green area maintenance. Respondents think that local government is mostly involved in providing residents with an access to potable water.

Where respondents have problems with local government services, one-third of respondents would turn first to the Gamagebeli among local government officials for help with the problem followed at a distance by the Rtsmunebuli and Sakrebulo Chairman.

Less than 10% of respondents believe that the authority of the local government must be reduced, while nearly one half of respondents think that it is desirable/necessary to increase the authority of local government.

Over 40% percent of respondents think that men and women are equally involved in local decision-making, another one-quarter say that women are less involved, and another one quarter could not assess whether women or men are more actively involved in local decision-making.

1. b) iv) Civic Engagement

Around 90% of respondents are very interested or interested in the affairs of their local community compared to just over one-half of respondents who are very or somewhat involved in community affairs. At the same time, their awareness of the services provided by the local government, what quality of services they should expect, where to get information on what the local government is doing in their communities, and how they can get involved in local decision making is low.

Respondents were given several statements about their attitudes toward civic engagement in local community affairs and their awareness of the opportunities for involvement, and were asked to indicate the level of agreement with each of the given statements. On balance, respondents demonstrate middle-of-the-road attitudes toward civic engagement and moderate awareness of opportunities for involvement civic affairs.

The largest part of respondents (43%) thinks that local government and local community members are equally responsible for solving local concerns, more than one-third of respondents think local government is primarily responsible, and around 15% think that central government is primarily responsible for solving local community issues.

Civic engagement among survey respondents is low. Respondents and their household members have almost never participated in protests or demonstrations, have never written a letter to local government, and have almost never contacted media to raise awareness about their local concerns. Incidence of volunteer work and communication with local government is also low. Community involvement in public meetings with local government and village members, as well as in working with others on identifying and addressing local issues, is relatively higher although still low.

Twenty-percent of respondents have personally contacted a local government official at least once over the past year. The Gamagebeli is contacted most frequently, while the Sakrebulo Chairman is contacted least frequently. In 12.7% of cases where respondents contacted local government authorities, they were seeking information from the authorities. When asked about their satisfaction with their direct communication with local government authorities, most said that they were satisfied and nearly one-half said that they were, as a result, more likely to contact local authorities again in future.

1. b) v) Infrastructure and Involvement

To evaluate community awareness of infrastructure projects and their involvement in project discussions, survey respondents were asked to indicate the infrastructure projects that were implemented in their communities and recall whether they were involved in public discussions or about the projects.

Sixty-one percent of the respondents were unable to recall any infrastructure project in their community. Another 23.7% of respondents recalled a single infrastructure project, while 13% recalled two infrastructure projects, with water pipe rehabilitation being the most common project cited.

According to the respondents' recollections, 75% of all infrastructure projects were preceded by public discussions. Overall, 95% respondents who recalled one or more infrastructure projects in their community believe that the projects were beneficial.

Close to 70% of respondents believe that it is primarily the local government that makes the decision whether an infrastructure project is needed in the community. Once a decision is made to implement an infrastructure project, two-thirds of respondents think that the local government primarily decides which infrastructure project to implement. Another two-thirds of respondents believe that public discussions about infrastructure projects are necessary, while 87% of all respondents are willing to attend future public discussions about community infrastructure projects.

Respondent awareness of the economic development plans (EDPs), developed within the framework of different donor-supported projects, is low. Only 4.5% of respondents in the treatment communities that either had an EDP or were in the process of drafting one had heard about the EDP, and of these, fewer than 30% are well familiar with these plans. Interestingly, 5.9% of respondents in the remaining treatment communities and 5.4% of respondents in control communities also say that they are aware of EDPs in their communities.²

Only 8% of respondents are aware of infrastructure projects implemented in neighboring communities and only 7% were able to recall at least one project that was implemented. Although a very small number of respondents have heard of such projects in their adjacent communities, those who have, overwhelmingly think that these projects were beneficial.

Overall respondents who are aware of infrastructure projects in other communities believe that these projects have positively influenced community attitudes toward local government, community residents' willingness to contact local government officials to solve a personal or a local community problem, and citizen participation in decision-making. The respondents that have heard about the infrastructure projects in neighboring communities believe that it is likely that it will influence their personal attitudes as well and make them more active.

1. b) vi) Comparisons between Treatment and Control Respondents

The LED impact evaluation uses a mixed-methods approach consisting of a longitudinal, quasi-experimental panel survey and qualitative research methods. In the panel survey, a treatment sample of households in project communities and a control sample of households in non-project communities is surveyed twice at the beginning of the project (baseline) and end of the project, with an approximately 2.5 to 3 year interval between surveys. Data from these surveys will be combined with qualitative information collected through interviews and FGDs and with secondary information collected from NEO's performance monitoring system, government sources, and other donor projects working in Georgia. Impacts will be measured at the community, household, and individual levels.

² As survey enumerators were not instructed to explain what an EDP is, we cannot say for certain whether these communities actually had an EDP. This issue will be investigated further in the midterm evaluation.

Our quasi-experimental research design matches a sample of control (non-project) villages to a random sample of treatment (project) villages according to their population, geographic location, agricultural production patterns, humanitarian/development agency activities, proximity to main highways and administrative borders, and the share of vulnerable and IDP households and then randomly samples households in the treatment and control villages to participate in the survey. This type of quasi-experimental matching design is a widely used alternative to experimental designs where the latter are not feasible, as is the case here. Matching control villages to treatment villages in this way is done to minimize the sources of selection bias, or pre-existing systematic differences between treatment and control group members, caused by observable factors. Of course, the success of this approach depends on the closeness of the match, or alternatively, the similarity between the treatment and control group members. The more similar the match is, the better.

Judging from the results of the LED baseline survey, the treatment and control groups are, with few exceptions, nearly identical in terms of household demographic characteristics and household economic conditions. Thus while the sampling method used does not allow us to control for unobservable characteristics of the two groups, we are confident that we have successfully controlled for major observable characteristics of the two groups, such that what level of selection bias that exists in the sample due to observables has been effectively minimized.

The sampling method was less successful in controlling for potential sources of selection bias caused by unobservable village characteristics. The results above reveal a number of instances in which the two groups diverged in terms of their attitudes towards local government and civic engagement. In particular, respondents from control villages on a number of occasions expressed more favorable attitudes towards local government and civic engagement than did respondents from treatment villages. Interestingly, this finding is contrary than what might ordinarily be expected in that selection bias typically refers to systematic advantages within the treatment sample that make them more amenable to 'success.' The causes of this finding (e.g., whether this is a result of the selection process or other factors) will be investigated further in the midterm LED evaluation.

Having said this, it should also be noted that differences between the treatment and control samples in terms of their attitudes toward local government and civic engagement were more frequently insignificant than they were significant. Where differences were significant, moreover, the responses uniformly fell into the same response category indicating, for example, 'neither agree nor disagree,' 'neither satisfied nor dissatisfied,' 'very interested,' 'somewhat involved,' 'very little impact,' and so forth.

1. b) vii) Qualitative Findings

The evaluation team conducted seven key informant interviews with 12 people and three focus group discussions with 42 people in three of the treatment communities. From these interviews we found that the implementation of the LED planning process in the three treatment communities has proceeded as planned and that the quality of implementation in all areas has been generally good. The process has been transparent and participatory, communication between NEO and the relevant stakeholders has

been consistent and effective, and the results appear to reflect important and generally agreed-on community priorities. All community members are given the opportunity to participate at some level in the LED process. Representation of sub-groups within the community is generally good as well. At the very least, there do not appear to be structural barriers to participation in any phase of the process based on personal characteristics such as gender, ethnicity, age, etc.

That said, there does exist the potential for structural barriers to participation among residents in more geographically remote communities owing both to the logistical difficulties of travel and the relatively older age of their residents. Another potential cause of structural bias is the economic criteria for project selection. In this latter case, NEO's approach for selecting infrastructure projects prioritizes projects that offer the greatest returns in terms of economic and environmental viability.³ To the extent the economic calculation tends to favor one type of project over another, this too might tend to favor one type of community over another.

With a limited budget of \$20,000 per infrastructure project, it is clear that NEO cannot meet the needs of all community members. At the same time, however, it will need to on guard against potential structural biases that have the potential creep into the project selection process. It is important to note that the evidence so far does not suggest that such structural biases have manifest themselves in the treatment communities, but this risk does exist and needs to be managed and monitored to ensure that these or other types of structural biases do not manifest themselves in the future.

2. INTRODUCTION

This report presents the findings from baseline impact evaluation of the Georgia New Economic Opportunities (NEO) Component 1 local economic development (LED) interventions. Funded by USAID at an estimated at \$20.5 million, NEO is a four-year project based in Tbilisi, Georgia with the objectives of improving rural incomes, reducing poverty levels, improving food security, addressing production constraints among small-scale agricultural producers, assisting internally displaced persons (IDP) to maintain their households, and aiding communities distressed by natural or other disasters. NEO supports approximately 70,000 households in 85 communities and 10 municipalities through community mobilization and local economic-development planning, livelihood assistance, and value-chain development. The project aims to increase household production by 15-25% and decrease vulnerability by 25% among targeted households and individuals.

The LED impact evaluation uses a longitudinal, quasi-experimental design implemented through a mixed-method (quantitative and qualitative) approach. It includes a household survey of 462 treatment households and 462 control households in 10 municipalities, 43 communities, and 50 villages together with a number of key informant interviews and focus group discussions with project stakeholders in

³ Residents in lowland communities tend to prefer projects such as irrigation, access to productive inputs, and farming machinery, while residents in mountainous communities tend to prefer projects such as flood gabions, potable water supply, and livestock rearing and production infrastructure (e.g., slaughterhouses and milk production centers).

selected beneficiary communities. The baseline evaluation round was conducted during June-July 2012 with a mid-term evaluation round planned for November –December 2013 and an endline evaluation round scheduled for approximately March 2015.

3. NEO PROJECT

The NEO project includes the following four components: (1) community level economic development (LED) planning, (2) rural economic development, (3) assistance to strengthen highly vulnerable households and individuals, and (4) promoting sustainability of IDP houses being rehabilitated with support from the USG. As mentioned above, this impact evaluation report covers the baseline research done on NEO's LED activities. A brief description of these activities is presented below.

3. a) Local Economic Development Intervention

In partnership with local communities, NEO develops economic development planning tools and assists target communities to prepare or, if applicable, update existing community economic development plans (EDPs). In each of its project communities, NEO forms a working group of residents who in turn form four focus groups that identify community priorities in the areas of agriculture, non-agriculture, infrastructure, and social sectors. These priorities, along with options for addressing them, are incorporated into the community's EDP. EDPs are intended to be NEO's entry point in target communities and to guide NEO interventions within those communities. To ensure the sustainability of the EDPs, NEO works to develop the capacity of appropriate government personnel and/or community leaders to maintain planning tools, generate plans and measure results. All EDPs are submitted to appropriate municipal governments for inclusion in stand-alone municipal economic development (MED) plans.

NEO applied a number of criteria in selecting its 10 project municipalities and 85 project communities. The most important of these criteria were the presence and share of vulnerable populations, the concentration of internally displaced persons (IDPs), the share of the population living below the poverty line, the geographic proximity to the conflict zone, the economic potential of the community, and the number of inhabitants in the community. NEO did not, however, apply these criteria in a mechanistic or rigorously consistent manner but rather involved the leadership of the local municipalities in a participatory process of site selection that involved a good deal of back and forth in which NEO relied heavily on the (at times subjective or politically driven) recommendations of municipal officials in rejecting or selecting specific communities. The result is a set of project municipalities and communities that reflect both the aforementioned selection criteria and subjective preferences of municipal leaders.

Within its 10 municipalities and 85 communities, NEO works with community members to identify and implement specific small-scale infrastructure projects identified in the communities' economic development plans, with a priority placed rehabilitating or upgrading water, sewage, and irrigation

systems, and other projects with direct economic benefits. NEO implements at least one small-scale infrastructure project in each community where it works.

Whenever feasible, NEO works with the communities to leverage financing from national or local governments and in-kind contributions from beneficiary communities so as to increase the impact of the small-scale infrastructure projects. Cash for work opportunities involving the local unskilled labor force are also considered whenever feasible. NEO also looks for opportunities to support the adoption of energy efficiency or green technologies where they are in line with the project's overall results objectives. Each infrastructure project is required to include an economic impact analysis and a sustainability plan that clearly identifies required maintenance, costs, and funding sources.

4. EVALUATION QUESTIONS AND HYPOTHESES

4. a) Evaluation Questions

The impact evaluation of NEO LED activities is designed to provide rigorous and credible evidence to answer the following three research questions:

- 1. How effective and sustainable was the community and municipality economic development planning methodology and approach developed and used by the project? To what extent did the project result in: (a) incorporating community-level economic development priorities into higher-level municipal economic development plans and (b) leveraging GOG and/or other donor funding to finance the implementation of these plans?*
- 2. What was the economic impact or change of income status of community members in a benefiting community as a result of the small infrastructure projects and in-kind procurements?*
- 3. Did the project affect men and women in the communities differently?*

4. b) Additional Research Hypotheses

In addition to the above research questions, the LED impact evaluation seeks to measure a variety of other research hypotheses related to the impact of LED activities on citizens' perceptions of local government, perceptions of and participation in civic affairs and knowledge and perceptions of community economic planning. In particular, we test the following additional 25 research hypotheses:

Perceptions of Local Government

- 1. Participation in LED activities increases citizens' perceptions of the importance of local government compared to citizens in non-project communities.*
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Research hypotheses 1-8 measure different dimensions of the following NEO impact indicator found in the NEO Causal Pathway:

20% increase in adult perception in local governments' ability to provide responsive services.

The purpose of the baseline evaluation round is to establish the original conditions at the beginning of the LED interventions. It is important to note that the baseline evaluation round is not intended to answer the above evaluation questions and research hypotheses. Rather its purpose is to establish and report the original conditions among treatment households and control households at the beginning of project activities. We can answer the evaluation questions and research hypotheses only after completing follow-up research rounds, which will allow us to compare the relevant changes that have occurred over time among treatment households and control households.

Another purpose of the baseline evaluation round is to establish the extent to which treatment households and control households are similar to each other. The sampling plan was developed so as to maximize the similarity between the two groups and thus minimize the extent of selection bias in the sample. The baseline survey results will allow us to make a judgment as to whether our sampling plan was successful in achieving this objective.

5. EVALUATION DESIGN

This section provides a brief description of the evaluation design used in the LED impact evaluation. An in-depth description of the evaluation design is found in Annex 6 to this report. The LED impact evaluation uses a mixed-methods approach consisting of a longitudinal, quasi-experimental panel survey and qualitative research methods. In the panel survey, a treatment sample of households in project communities and a control sample of households in non-project communities is surveyed twice at the beginning of the project (baseline) and end of the project, with an approximately 2.5 to 3 year interval between surveys. (The panel survey interviews the same group of households in both the baseline and endline surveys.) Data from these surveys will be combined with qualitative information collected through interviews and FGDs and with secondary information collected from NEO's performance monitoring system, government sources, and other donor projects working in Georgia. Impacts will be measured at the community, household, and individual levels.

Ideally, an experimental evaluation design that randomly assigns households and/or communities to benefit or not benefit from project interventions would provide the highest level of rigor (e.g., control for selection bias) possible. NEO, however, has already selected its 85 project communities eliminating the possibility of randomly assigning communities into the project. The project design and structure, moreover, make random assignment of households into the project impossible.

In lieu of an experimental design, the NEO LED evaluation uses a quasi-experimental research design that matches a sample of control (non-project) villages to a random sample of treatment (project) villages, and then randomly samples households in the treatment and control villages to participate in the survey. Where experimental designs are not possible, quasi-experimental designs offer the highest level of rigor attainable, while allowing researchers to attribute evaluation findings to project interventions with a reasonably high level of statistical validity.

Quasi-experimental designs are both a widespread and widely accepted alternative to experimental designs where the latter are not feasible. Carefully matching control villages to treatment villages allows us to minimize sources of selection bias caused by observable factors.⁴ Of course, the success of this approach depends on the closeness of the match, or alternatively, the similarity between the treatment and control group members. The more similar the match is, the better. As mentioned earlier, one purpose of the baseline evaluation round is to determine how similar the treatment and control group members are to each other and thus the potential for significant selection bias in the sample. Fortunately, as we see below, the two groups are quite similar to each other. While this does

⁴ The problem of selection bias in an impact evaluation is caused by the fact that project participants differ from non-participants in characteristics that are both observable and non-observable and that affect both the decision to participate in the project and its outcome (e.g., ability or motivation). Observable characteristics (or factors) include, for example, age, gender, level of education, poverty status, geographic location, etc. Unobservable characteristics include, for example, ambition, risk orientation, diligence, commitment, etc.

not eliminate potential sources of selection bias in the sample, particularly those caused by unobservable factors, it does indicate that we have successfully controlled for sources of selection caused by observable factors.

To construct our sample, we use a multi-stage cluster sampling design. In a case such as this where constructing a complete list of population members (sampling frame) is both difficult and cost-prohibitive and where population boundaries are well defined, cluster sampling offers a relatively feasible and inexpensive sampling method. This method produces a total sample size of 934 respondents divided equally between treatment and control respondents in 10 municipalities, 43 communities, 24 treatment villages, and 26 control villages. Table 1 shows how the sample breaks down by municipality, community, and village.⁵

Table 1: Municipalities, Communities, and Villages Covered by the LED Impact Evaluation

Municipality	Community	Village	Treatment (N)	Control (N)
Gori	1. Ateni	Ateni	22	
	2. Variani	Variani	22	
	3. Skra	Skra	22	
	4. Mereti	Mereti	22	
	5. Tiniskhidi	Ortasheni		22
	6. Karaleti	Karaleti		22
	7. Boshuri	Biisi & Bobnevi ⁶		22
	8. Ditsi	Ditsi		22
Total Gori			176	
Khashuri	9. Tsagvli	Kvemo Brolosani & Zemo Brolosani	18	
	10. Ali	Brili	18	
	11. Phlevi	Patara Phlevi	18	
	12. Tsokhnara	Tsokhnara		27
	13. Abisi (Kareli) ⁷	Abisi (Kareli)		27
Total Khashuri			108	
Kareli	14. Dirbi	Gvlevi	25	
	15. Ftsa	Kvemo Shakshketi	25	

⁵ Communities where LED activities were ongoing at the time of the baseline include: Variani, Dirbi, Kvesheti, Mchadijvari, Sioni, Akhalsofeli, Kortskheli, Chkhorlia, Narazeni, Phakhulani, Chale, Ghari, Gvirishi, and Rtskmeluri.

⁶ As a general rule, we selected one treatment village and one control village in each Sakrebulo. In some cases, however, it was necessary to select two small villages instead of one because we could not find other appropriate matches. This was the case in Boshuri (Biisi and Bobnevi), Tsagvli (Kvemo Brolosani & Zemo Brolosani), Bebnisi (Aphnisi & Leteti), Mchadijvari (Ebnisi & Kvitkiristskaro), and Gremiskhevi (Kedeloba & Petriani).

⁷ Although Abisi is located in Kareli, we selected as a match for the village Patara Phlevi in the Khashuri owing to their close similarity to Patara Phlevi. Similarly, we selected Nakuraleshi and Tskhukureshi in Tsageri municipality as a match for the village of Rtskmeluri in Lentekhi municipality.

	16. Bebnisi	Aphnisi & Leteti		25
	17. Abisi	Berdzenauli		25
Total Kareli			100	
Dusheti	18. Kvesheti	Kvesheti	22	
	19. Mchadijvari	Ebnisi & Kvitkiristskaro	22	
	20. Figureali	Figureali		22
	21. Gremiskhevi	Kedeloba & Petriani		22
Total Dusheti			88	
Kazbegi	22. Sioni	Sioni	16	
	23. Goristsikhe	Goristsikhe & Tkarcheti		16
Total Kazbegi			32	
Zugdidi	24. Akhalsofeli	Jumi	19	
	25. Ingiri	Oireme	19	
	26. Kortskheli	Bashi	19	
	27. Chkhorია	Tkaia	19	
	28. Narazeni	Shamadela	19	
	29. Urta	Urta		19
	30. Chitatskaro	Chitatskaro		19
	31. Rukhi	Natsuluko		19
	32. Rike	Rike		19
	33. Abastumani	Khetsera		19
Total Zugdidi			190	
Tsalendjikha	34. Phakhulani	Tkoushi	22	
	35. Chale	Photskho	22	
	36. Lia	Lia		22
	37. Chkvaleri	Leshamge		22
Total Tsalendjikha			88	
Oni	38. Ghari	Gari	22	
	39. Sheubani	Sheubani		22
Total Oni			44	
Tsageri	40. Gvirishi	Utkheri	27	
	41. Okureshi	Okureshi		27
Total Tsageri			54	
Lentekhi	42. Rtskmeluri	Rtskmeluri	22	

	43. Nakuraleshi	Nakuraleshi & Tskhukureshi (Tsageri) ⁸		22
Total Lentekhi			44	
Total Number of Villages =50 (24 Treatment & 26 Control)				
Total Number of Sakrebulos = 43				
Total Number of Municipalities = 10				

In addition to the impact survey, the evaluation implements a suite of qualitative research activities and utilizes secondary information as part of the mixed-methods design. Mixed-methods designs leverage the strengths of both quantitative and qualitative evaluation techniques to produce the breadth and depth of learning necessary to understand the project’s impact on communities, households, and individuals. A mixed-methods design also helps triangulate multiple sources of information to produce more accurate and credible evidence of project impact. In cases where we may not be able to claim attribution with high levels of statistical credibility, triangulating evidence from multiple sources will allow us to make more credible arguments of plausible attribution.

To summarize, the mixed-methods design uses a combination of the following four evaluation methods:

1. Quasi-experimental panel survey of sample households located in treatment (beneficiary) and control (non-beneficiary) communities.
2. Multi-stage cluster sampling approach with 934 respondents divided equally between treatment and control respondents in 24 treatment villages and 26 control villages.
3. In-depth, semi-structured individual interviews with project stakeholders.
4. Focus group discussions with residents of treatment communities
5. Secondary research of documents and statistics, including primarily data from NEO’s performance monitoring system.

In creating this research design, it is important to note that that the evaluation team was subject to hard budget constraints that served to limit the design options available to them. Budget constraints affected all aspects of the research design, including the sample size, location of control communities, and the number and location of key informant interviews and FGDs. In the end, the evaluation team had to make numerous concessions to the budget constraints in developing the research design, many of which involved a tradeoff between methodological rigor and cost/ feasibility.

5. a) LED Survey

The LED household survey includes following five sections:

1. Household Demographics—This section measures the demographic characteristics of the respondent and the respondent’s household.

⁸ Although Nakuraleshi and Tskhukureshi are located in Tsageri municipality, we selected them as a match for the village of Rtskmeluri in Lentekhi municipality owing to their close similarity to Rtskmeluri.

2. Household Economic Conditions—This section measures different dimensions of household economic well-being, including economic self-perceptions, durable asset ownership, livestock ownership, coping strategies, expenditures, social assistance, housing conditions, access to services, productive land ownership, and agricultural production.
3. Perceptions of Local Government—This section measures the respondents’ perceptions of local government and local government officials, including the role of local government, impact of local government, interest in local government, effectiveness of local government, quality of service delivery, satisfaction with local government, interactions with local government, and the role of women in local government.
4. Civic Engagement—This section measures the respondents’ degree of awareness of and activity in the affairs of their local communities, specific acts of civic engagement they have taken, satisfaction with their interactions with local government officials, and their plans for future participation in local affairs.
5. Infrastructure and Involvement—This section measures the respondents’ awareness of, participation in, and perceptions of community infrastructure projects and community economic development planning. It also measures the respondents’ awareness and perceptions of community infrastructure projects in neighboring communities.

A copy of the LED survey questionnaire is provided in Annex 3 to this report.

6. BASELINE FINDINGS

This section presents the findings of the LED baseline survey. The findings are reported according to, and in the order of, the five survey sections described above. Where relevant, we report the P-value in the tables, which tell us whether the difference between the treatment and control group is statistically significant.⁹ Following common statistical practice, we consider a p-value of .10 or less to be statistically significant.

6. a) Household Demographics

Household Size: The average size of respondent households varies from 1 to 10 members with an average of 3.7 members. Twenty percent of respondent households consist of four members, while 12.6% have a single member. There is no statistically significant difference between treatment and control households in terms of the mean household size.

⁹ The P value, or calculated probability, is the estimated probability of rejecting the null hypothesis (no difference between the treatment and control group) when it is true.

Table 2. Household Size

Treatment	Control	Total	P-value (T-test)
3.8	3.7	3.7	0.26

Age: Control respondents are on average two years older than treatment respondents, although the average age of both groups is in the mid-fifties. The youngest survey respondent is 17 years old, while the oldest survey respondent is 95 years old.

Table 3. Age of Respondents

Treatment	Control	Total	P-value (T-test)
54.2	56.3	55.2	0.05

Gender: Women make up 62.8% of survey respondents. The over representation of women in the survey is explained by the difficulty of finding men at home during the day during the June-July cropping season in which the survey was implemented. The finding below that the majority of male household members are employed in agriculture production supports this conclusion.¹⁰ There is no statistically significant difference between treatment and control respondents in terms of gender.

Table 4. Gender of Respondents

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Male	172	38.2	177	38.3	349	37.8
Female	290	62.8	285	61.7	575	62.2

P-value=0.786 (Chi square)

Relationship to Household Head: The majority of survey respondents (56.3%) are the heads of their households. Another 29% of respondents are the spouse of the household head. There is no statistically significant difference between treatment and control respondents in terms of the respondent's relationship to the household head.

¹⁰ 40.6% of male respondents are employed in agriculture. Only 28.4% of female respondents are employed in the same sector.

Table 5. Relationship to Household Head

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Head of household	260	56.3	271	58.7	531	57.5
Spouse	134	29.0	134	29.0	268	29.0
Son / Daughter	40	8.7	26	5.6	66	7.1
Mother / Father	3	0.6	3	0.6	6	0.6
Son / Brother / Daughter / Sister-in-law	19	4.1	22	4.8	41	4.4
Grandson / Granddaughter	1	0.2	1	0.2	2	0.2
Relative	0	0.0	1	0.2	1	0.1
Other (brother/sister)	5	1.1	4	0.9	9	1.0

P-value=0.766 (Chi square)

Marital Status: Nearly two-thirds of survey respondents are married, another 22.7% are widowed, and 11.7% are single. Treatment respondents are more likely than control respondents to be single, while control respondents are more likely than treatment respondents to be married.

Table 6. Martial Status

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Single	61	13.2	47	10.2	108	11.7
Married	277	60.0	306	66.2	583	63.1
Divorced / Separated	18	3.9	5	1.1	23	2.5
Widowed	106	22.9	104	22.5	210	22.7

P-value=0.02 (Chi square)

Ethnicity: Nearly 96% percent of survey respondents are ethnic Georgians, while only 2.5% of respondents are from mixed ethnicity households. There is no statistically significant difference between treatment and control households in terms of ethnicity.

Table 7. Ethnicity

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Georgian	440	95.2	445	96.3	885	95.8
Armenian	0	0.0	3	0.6	3	0.3
Russian	5	1.1	1	0.2	6	0.6
Azeri	0	0.0	0	0.0	0	0.0
Greek	2	0.4	0	0.0	2	0.2
Kurdish	0	0.0	0	0.0	0	0.0
Ossetian	15	3.2	13	2.8	28	3
Abkhazian	0	0.0	0	0.0	0	0.0
Other	0	0.0	0	0.0	0	0.0

P-value=0.11 (Chi square)

Income and Employment: Respondent households have on average 1.9 income earners. The most common form of income is pension income followed closely by agricultural income accounting for about one-third of income sources each. An additional 17% of household members are also unemployed and seeking work. All other sources of income are insignificant. There is no statistically significant difference between control and treatment households in terms of income and employment.

Table 8. Number of Income Earners in the Household

Treatment	Control	Total
1.8	2.0	1.9

P-value (T-test)=0.11

Table 9. Employment Status

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Farming	152	32.9	153	33.1	305	33.0
Self-employment	3	0.6	5	1.1	8	0.9
Intermittent employment	6	1.3	11	2.4	17	1.8
Employment in public sector	24	5.2	27	5.8	51	5.5
Employment in private sector	5	1.1	7	1.5	12	1.3
Unemployed seeking	90	19.5	67	14.5	157	17.0
Unemployed not seeking	13	2.8	20	4.3	33	3.6
Pensioner	155	33.5	161	34.8	316	34.2
Student	1	0.2	0	0.0	1	0.1
Unfit	3	0.6	7	1.5	10	1.1
Other	10	2.2	4	0.9	14	1.5

P-value=0.24 (Chi square)

Of the households earning agricultural income, 41.1% believe that agriculture is the most important source of household income followed by pension income at 34.9%. Agriculture and pension income are also the most commonly cited second and third most important household income sources.

Table 10. Most Important Sources of Household Income

	Most Important Source			Second Most Important Source			Third Most Important Source		
	Treatment (%)	Control (%)	Total (%)	Treatment (%)	Control (%)	Total (%)	Treatment (%)	Control (%)	Total (%)
Farming	41.1	37.2	39.0	42.6	39.2	40.8	30.2	39.8	34.9
Self-employment	3.0	3.7	3.4	4.6	3.3	3.9	8.5	2.9	5.7
Intermittent employment	3.6	7.1	5.5	3.9	4.6	4.2	6.6	9.7	8.1
Employment in public sector	11.0	11.1	11.0	13.2	11.4	12.3	17.0	6.8	12.0
Employment in private sector	6.4	5.0	5.7	3.0	5.2	4.1	6.6	4.9	5.7
Pension	34.9	35.8	35.4	32.8	36.3	34.6	31.1	35.9	33.5

Education Level: Around 70% of survey respondents have completed a secondary education, including 51.4% who completed a general secondary education and 19.5% who completed a specialized secondary education. Another 15.5% of respondents have completed a higher education. There is no statistically significant difference between control and treatment respondents in terms of education level.

Table 11. Education Level

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Illiterate	8	1.8	2	0.5	10	1.1
Elementary	7	1.6	5	1.1	12	1.3
Incomplete secondary	44	10.0	42	9.5	86	9.7
Complete secondary (general)	229	51.9	226	50.9	455	51.4
Complete secondary (specialized)	81	18.4	92	20.7	173	19.5
Incomplete higher	5	1.1	1	0.2	6	0.7
Higher	67	15.2	76	17.1	143	15.5
Degree / Post-graduate	0	0.0	0	0.0	0	0.0

P-value=0.244 (Chi square)

IDP Status: Overall, 96% of respondent households are local residents and only 4% are IDPs or refugees. At the same time, treatment respondents include a higher percentage of IDPs at 5.6% than do control respondents at 2.4%.

Table 12: IDP Status

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Local	436	94.4	451	97.6	887	96.0
IDP/Refugee	26	5.6	11	2.4	37	4.0

P-value=0.01 (Chi square)

6. b) Household Economic Conditions

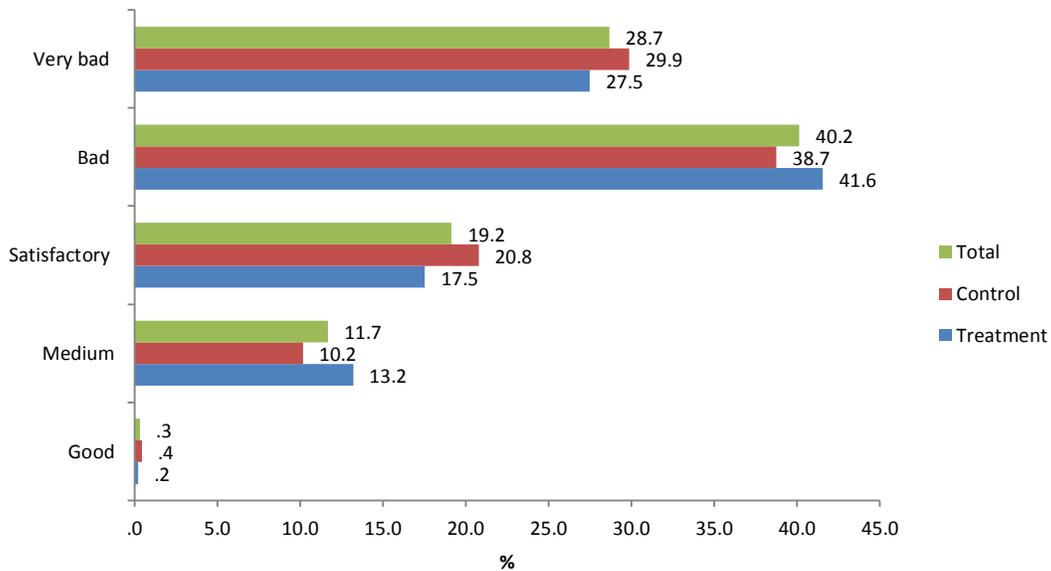
Household Financial Conditions: Respondents were asked to assess the financial condition of their household on a 5-point scale with 1 meaning 'very bad' and 5 meaning 'good.' More than two-thirds of the respondents think that their financial conditions are 'bad' or 'very bad,' 19% rate their financial condition as 'satisfactory,' and 12% rate their financial condition as 'medium' or 'good.' There is no statistically significant difference between treatment and control group responses.

Table 13. Household Financial Conditions

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Good	1	0.2	2	0.4	3	0.3
Medium	61	13.2	47	10.2	108	11.7
Satisfactory	81	17.5	96	20.8	177	19.2
Bad	192	41.6	179	38.7	371	40.2
Very bad	127	27.5	138	29.9	265	28.7
Mean	2.2		2.1		2.2	

P-value=0.480 (T-test)

Figure 1: “How would you assess the financial condition of your household?”



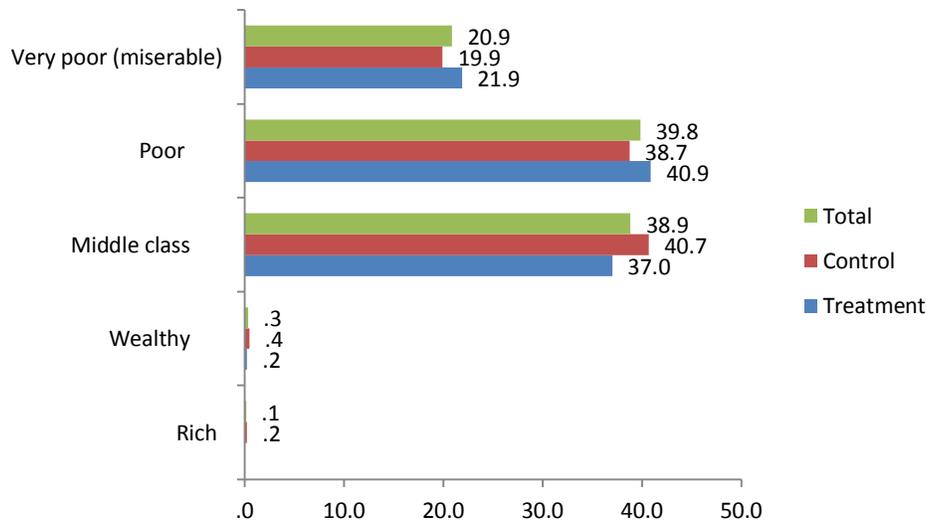
Economic Status: Respondents were then asked to assess the economic status of their households on a 5-point scale based on their property status with a 1 meaning ‘very poor’ and 5 meaning ‘very rich.’ Less than 1% of respondents consider themselves to be ‘rich’ or ‘very rich’ using this measure, while 60.7% consider themselves to be ‘poor’ or ‘very poor.’ There is no statistically significant difference between treatment and control group responses.

Table 14. Household Economic Status

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Rich	0	0.0	1	0.2	1	0.1
Wealthy	1	0.2	2	0.4	3	0.3
Middle class	171	37.0	188	40.7	359	38.9
Poor	189	40.9	179	38.7	368	39.8
Very poor	101	21.9	92	19.9	193	20.9
Mean	2.2		2.2		2.2	

P-value=0.183 (T-test)

Figure 2: “According to your property status, to which category does your household belong?”



Household Asset Ownership: More than two-thirds of respondent households own a color TV set and 43.9% own a refrigerator. Few households own more than one each of the listed household assets. With the sole exception of refrigerators, there is no statistically significant difference between treatment and control group responses.

Table 15. Assets Owned by the Household

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)	<i>P-value (Chi square)</i>
Color TV	349	75.5	358	77.5	707	76.5	0.44
Refrigerator	186	40.3	220	47.6	406	43.9	0.02
Washing machine	51	11.0	55	11.9	106	11.5	0.68
Car	71	15.4	82	17.7	153	16.6	0.33
DVD player	59	12.8	67	14.5	126	13.6	0.44
Personal computer	43	9.3	47	10.2	90	9.7	0.66
Air conditioner	4	0.9	2	0.4	6	0.6	0.41
Vacuum cleaner	20	4.3	14	3.0	34	3.7	0.294
Satellite dish	126	27.3	108	23.4	234	25.3	0.17
Independent heating	14	3.0	6	1.3	20	2.2	N/A

Figure 3: “Do you own the following durable goods in working condition?”

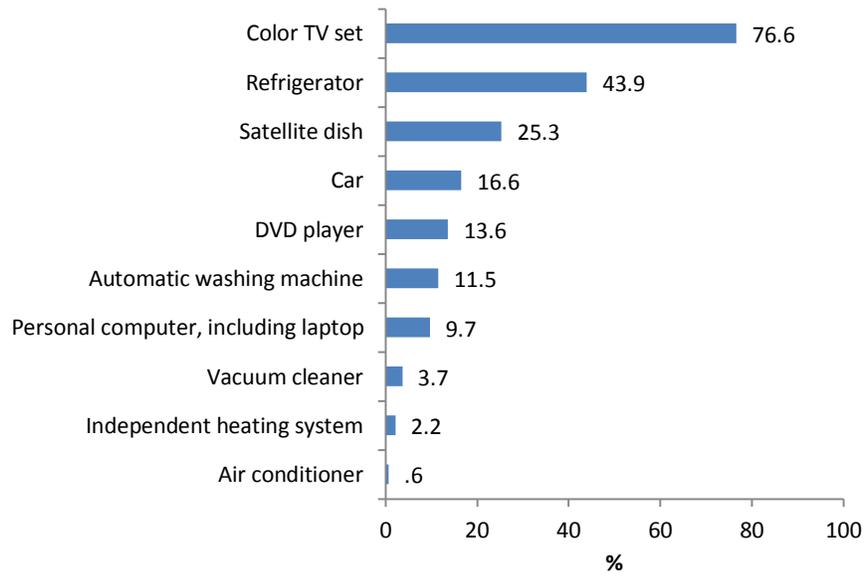


Table 16. Number of Assets Owned by the Household

	Number of Assets	Treatment (%)	Control (%)	Total (%)
Color TV	1	73.2	76.2	74.7
	2	2.4	1.5	1.9
Refrigerator	1	39.6	52.4	43.6
	2	0.4	0.0	0.2
	3	0.0	0.2	0.1
Washing machine	1	11.3	11.7	11.5
Car	1	14.5	17.7	16.1
	2	0.9	17.7	0.4
DVD player	1	12.8	14.5	13.6
Personal computer	1	8.7	10.2	9.4
	2	0.4	0.0	0.2
Air conditioner	1	0.9	0.4	0.6
Vacuum cleaner	1	4.3	3.0	3.7
Satellite dish	1	17.7	17.3	17.5
	2	9.1	4.3	6.7
	3	0.4	1.7	1.1
Independent heating	1	3.0	1.3	2.2

Change in Household Financial Conditions: Respondents were asked to assess how their household financial condition has changed over the last 12 months and how they expected it to change over the next 12 months. Half of the respondents think that their condition has not changed over the past 12 months, and 40.3% think that their condition has worsened slightly or significantly. More than one-half of respondents do not expect their household condition to change over the next 12 months, while

29.4% of respondents believe that their condition will improve slightly or significantly over the next 12 months. There is no statistically significant difference between treatment and control group responses.

Table 17. Change in Household Financial Condition

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Significantly worsened	110	23.8	91	19.7	201	21.8
Slightly worsened	83	18.0	88	19.0	171	18.5
Remained the same	223	48.3	239	51.7	462	50.0
Slightly improved	41	8.9	38	8.2	79	8.5
Significantly improved	5	1.1	6	1.3	11	1.2
Mean	2.5		2.5		2.5	

P-value=0.28 (T-test)

Figure 4: “How has the financial condition of your household changed in the last 12 months?”

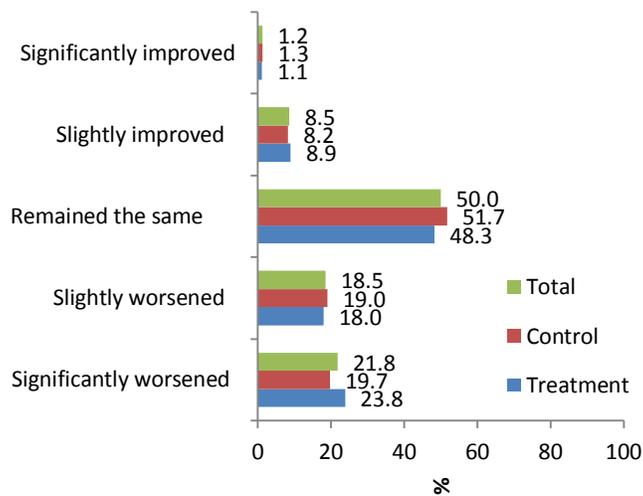
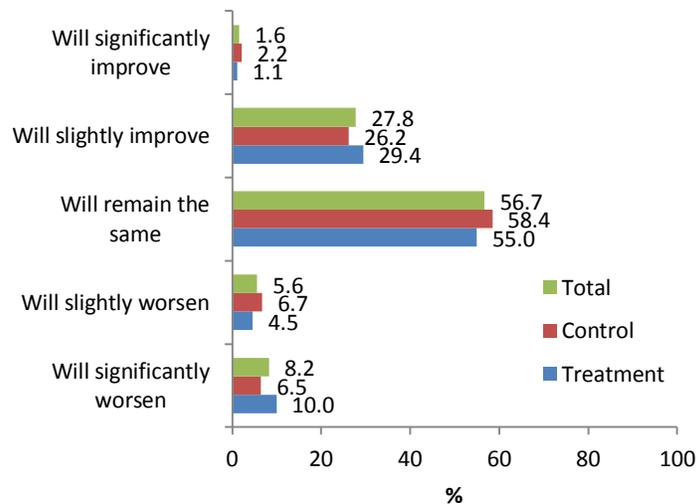


Table 18. Expected Change in Household Financial Condition

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Will significantly worsen	46	10.0	30	6.5	76	8.2
Will slightly worsen	21	4.5	31	6.7	52	5.6
Will remain the same	254	55.0	270	58.4	524	56.7
Will slightly improve	136	29.4	121	26.2	257	27.8
Will significantly improve	5	1.1	10	2.2	15	1.6
Mean	3.1		3.1		3.1	

P-value=0.51 (T-test)

Figure 5: “How will the financial conditions of your household change over the next 12 months?”



Coping Strategies: The survey asked respondents a series of questions to determine whether they or their households had engaged in one or more of a set of coping strategies in response to difficult economic/financial circumstances. The first set of questions asked whether the respondents were able to get by financially and possibly save or whether they had to liquidate assets to meet their financial needs. Almost two-thirds of the interviewed households say they ‘just got by’ with their incomes over the past 12 months. On top of this, less than 2% of respondents said that they were able to set aside savings over the last 12 months. Very few households spent their savings in the past 12 months to pay

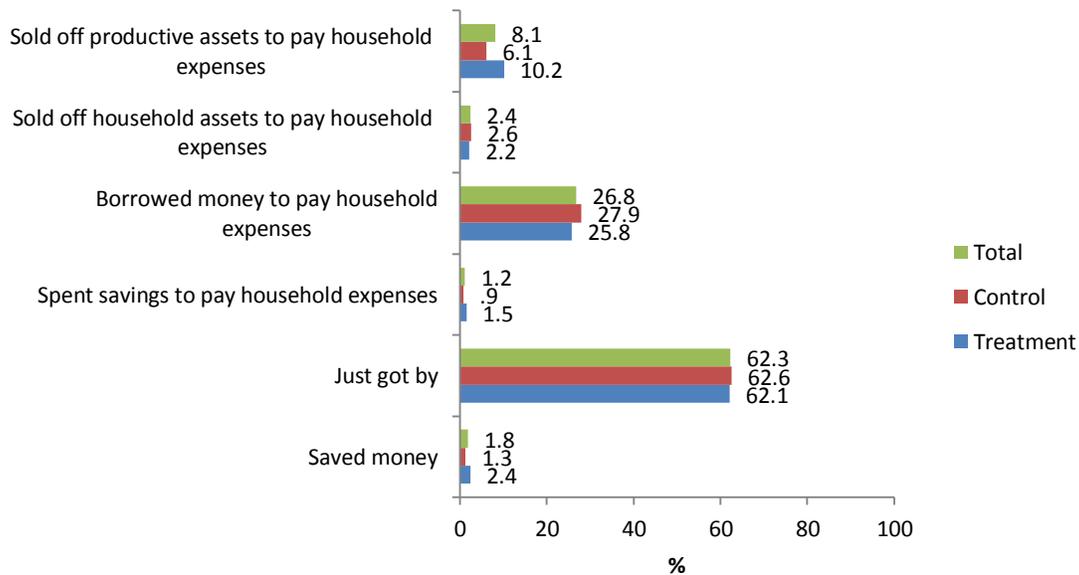
for household expenses, although about one quarter of respondent households had to borrow money to cover their expenses. There is no statistically significant difference between treatment and control group responses.

Table 19. Household Coping Strategies Adopted

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Saved money	11	2.4	6	1.3	17	1.8
Just got by	287	62.1	289	62.6	576	62.3
Spent savings to pay household expenses	7	1.5	4	.9	11	1.2
Borrowed money to pay household expenses	119	25.8	129	27.9	248	26.8
Sold household assets to pay household expenses	10	2.2	12	2.6	22	2.4
Sold productive assets to pay household expenses	47	10.2	28	6.1	75	8.1

P-value=0.12 (Chi square)

Figure 4: “In the past 12 months, has your household . . .?”



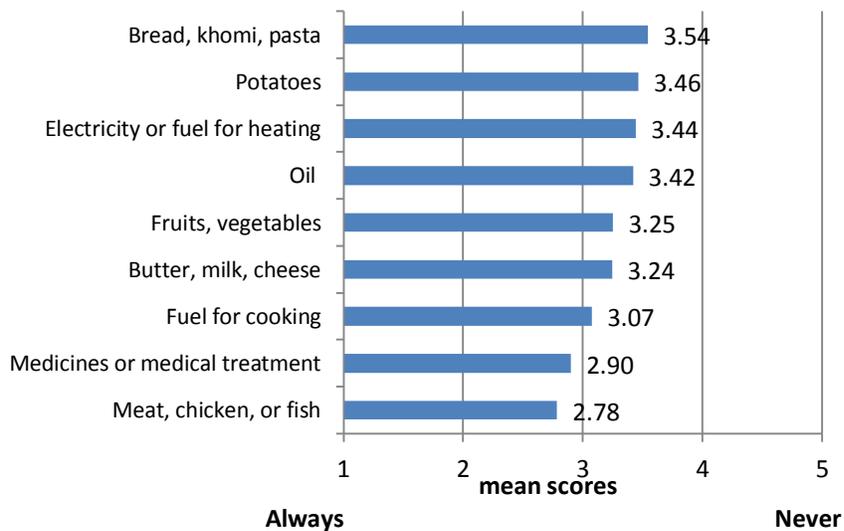
Respondents were then asked to assess how often, if ever, their household had to limit the consumption of certain products and services because of the financial difficulties over the past 12 months using a 5-

point scale where 1 means ‘always’ and 5 means ‘never.’ Respondents reported limiting consumption of the listed products and services occasionally, on average somewhere near the mid-point of ‘always’ and ‘never.’ There is no statistically significant difference between treatment and control group responses.

Table 20. Frequency of Limiting Consumption Due to Financial Difficulties

	Treatment	Control	Total	<i>P-value (T-test)</i>
Bread, khomi, pasta	3.6	3.5	3.5	0.23
Butter, milk, cheese	3.2	3.3	3.2	0.55
Oil	3.5	3.4	3.4	0.25
Meat, chicken, fish	2.8	2.8	2.8	0.70
Fruits, vegetables	3.2	3.3	3.3	0.63
Potatoes	3.5	3.4	3.5	0.27
Fuel for cooking	3.1	3.1	3.1	0.84
Electricity for fuel or heating	3.5	3.4	3.4	0.62
Medicines or medical treatment	2.9	2.9	2.9	1.00

Figure 5: “Over the past 12 months, how often, if ever, has your household had to limit the consumption of the following due to financial difficulties?”



Social Assistance: The survey asked respondents whether they had received social assistance or participated in a government-run health insurance program in the last 12 months, along with their perceptions of these programs. Almost two-thirds of respondent households applied for government-provided social assistance over the past 12 months, while more than a quarter of households received social assistance for at least some part of the last 12 months. The average amount of social assistance received was GEL 780. Nearly 100% of the households that received social assistance think that it is ‘important’ or ‘very important.’ Among those who did not apply for social assistance, the primary reasons given were that they did not think they qualified, others are worse off, or they were not poor enough.

At least one member of 39.6% of respondent households has participated in government-run health insurance services over the past year, and 95.9% of these people think that these programs are ‘important’ or ‘very important.’ There is no statistically significant difference between treatment and control group responses to questions about social assistance.

Table 21: Receipt of Social Assistance

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)	<i>P-value</i>
Applied for Social Assistance in Last 12 Months?							
Yes	290	62.8	304	65.8	594	64.3	0.34 <i>(Chi square)</i>
No	172	37.2	158	34.2	330	35.7	
Received Social Assistance in Last 12 Months?							
Yes – during the whole year	101	21.9	110	23.8	211	22.8	
Yes – during some period of the year	18	3.9	26	5.6	44	4.8	
No	343	74.2	326	70.6	669	72.4	
Amount received (GEL)	753.30	N/A	801.80	N/A	779.30	N/A	0.42 <i>(T-test)</i>
Participated in Government-Run Health Insurance Program?							
Yes	178	38.5	188	40.7	366	39.6	0.50 <i>(Chi square)</i>
No	284	61.5	274	59.3	558	60.4	

Figure 6: Receipt of Social assistance and participation in Government-Run Health Insurance Program

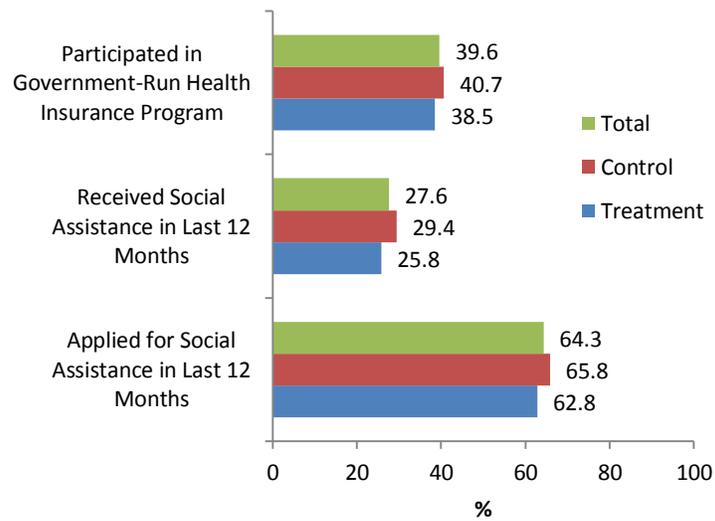


Table 22. Reasons for Not Applying for Social Assistance in Last 12 Months

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Do not think I'm poor	18	10.5	26	16.5	44	13.3
Others are worse off	37	21.5	44	27.8	81	24.5
I didn't have hope of receiving social assistance	96	55.8	79	50.0	175	53.0
Do not trust system	17	9.9	6	3.8	23	7.0
Other	4	2.3	3	1.9	7	2.1

P-value=0.13 (*Chi square*)

Table 23. Perceived Importance of Social Assistance

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Very important	96	83.5	113	85.0	209	84.3
Important	16	13.9	18	13.5	34	13.7
Unimportant	2	1.7	1	0.8	3	1.2
Very unimportant	1	0.9	1	0.8	2	0.8
Mean score	3.8		3.8		3.8	

P-value=0.66 (T-test)

Table 24. Perceived Importance of Government-Run Health Insurance

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Very important	124	69.7	131	69.7	255	69.7
Important	48	27.0	48	25.5	96	26.2
Unimportant	5	2.8	6	3.2	11	3.0
Very unimportant	1	0.6	3	1.6	4	1.1
Mean score	3.7		3.6		3.6	

P-value=0.69 (T-test)

Household Expenditures: The survey asked a series of questions about the respondent households' weekly, monthly, and yearly expenditures, including the cash value, imputed value of home produced goods and services, and the imputed value of gifted goods and services. The expenditure values were totaled, adjusted to represent daily expenditures, and divided by the number of household members to arrive at the daily per capita household expenditures. The daily per capita household expenditures among respondent households averaged GEL 2.78 with food expenditures accounting for 64.9% of total household expenditures on average. No statistically significant differences were found between treatment and control households.

Table 25. Household Expenditures

	Treatment	Control	Total	P-value (T-test)
Daily per capita household expenditures (GEL)	2.80	2.76	2.78	0.88
Food expenditures as a percentage of total expenditures	65.5%	64.4%	64.9%	0.71

Housing Status: Another measure of household well-being is housing status. Nearly 100% of respondents own their home. The average size of the living space is 86 m² (925 ft²) and includes 4.1 rooms and 2.5 bedrooms. No statistically significant differences were found between treatment and control households.

Table 26. Housing Ownership Status

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Own	448	97.0	448	97.0	896	97.0
Rent	0	0	0	0	0	0
Mortgaged	0	0	0	0	0	0
Provided free occupancy	14	3.0	14	3.0	28	3.0

P-value=1.00 (Chi square)

Table 27. Size of House

	Treatment	Control	Total	P-value (T test)
Area in square meters	85.4	86.7	86.1	0.63
Total number of rooms	4.0	4.2	4.1	0.11
Number of bedrooms	2.4	2.6	2.5	0.14

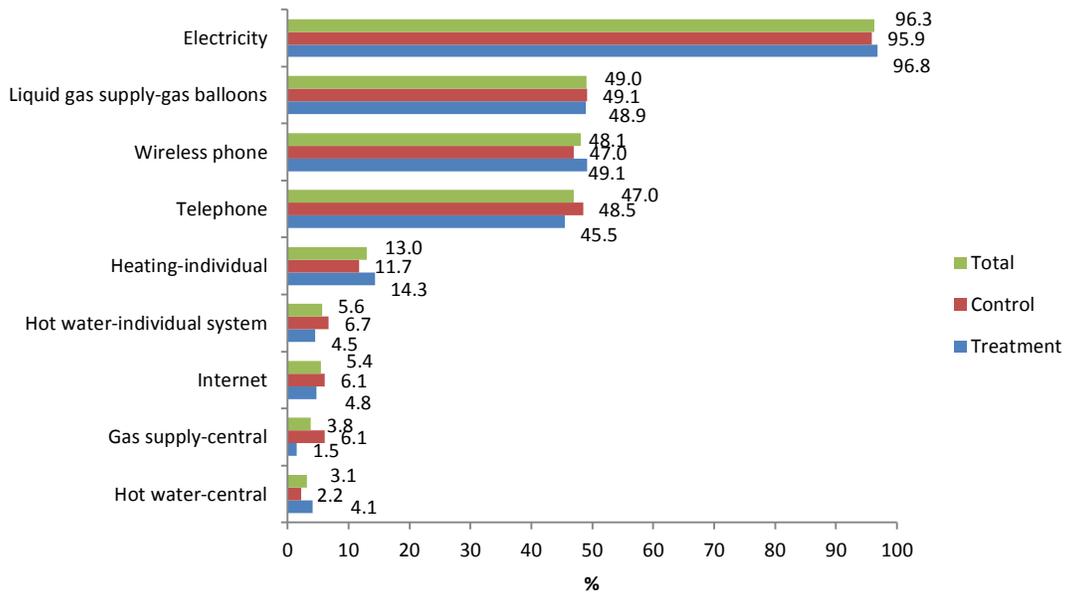
Access to Services: Yet another measure of household well-being is its access to services, such as electricity, phone, gas, water, etc. Slightly over 96% of households have electricity in their homes, while almost one half of respondents use liquid gas (supply-gas balloons) and have a mobile telephone. Few respondent households have access to the Internet, individual or central hot water systems, or central gas supply. Treatment and control communities are similar in terms of the housing conditions; except

for two control Sakrebulo (Karaleti and Tiniskhidi) in the Gori municipality, which have central gas supply.

Table 28. Access to Services

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)	<i>P-value (Chi square)</i>
Hot water- central	19	4.1	10	2.2	29	3.1	0.89
Hot water- individual system	21	4.5	31	6.7	52	5.6	0.15
Electricity	447	96.8	443	95.9	890	96.3	0.48
Gas supply- central	7	1.5	28	6.1	35	3.8	0.00
Liquid gas supply-gas balloons	226	48.9	227	49.1	453	49.0	0.94
Heating- individual	66	14.3	54	11.7	120	13.0	0.24
Telephone	210	45.5	224	48.5	434	47.0	0.35
Internet	22	4.8	28	6.1	50	5.4	0.38
Wireless phone	227	49.1	217	47.0	444	48.1	0.51

Figure 7: Housing Conditions



Productive Land Ownership: One in every ten households does not cultivate any plot of land at all. The majority (61.9%) of respondents that are involved in cultivation use a single plot for this purpose. Only 8.3% of respondents cultivate more than two plots of land. The average number of plots worked per household is 1.3, while the average size of a single size of a single plot is 0.27 hectares. No statistically significant differences were found between treatment and control communities.

Table 29. Land Used for Cultivation

Number of plots	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
0	48	10.4	53	11.5	101	10.9
1	297	64.3	275	59.5	572	61.9
2	84	18.2	90	19.5	174	18.8
3	22	4.8	26	5.6	48	5.2
4	6	1.3	15	3.2	21	2.3
5	3	0.6	3	0.6	6	0.6
6	2	0.4	0	0.0	2	0.2

Table 30: Number of Plots Used for Cultivation

	Treatment	Control	Total	<i>P-value (T-test)</i>
Number of plots	1.3	1.3	1.3	0.79
Plot size (hectares)	0.27	0.28	0.27	0.51

Crop Production: Over one-third of respondents involved in cultivation grow corn, 19% grow walnuts/nuts, and 16.4% grow beans. No statistically significant differences exist between treatment and control households in terms of major crops grown.

Statistically significant differences, however, were found with regard to the less commonly cultivated crops. Specifically, potatoes, tomatoes and pitted fruit are more often cultivated in treatment communities, while control communities cultivate more cucumbers, livestock roughage, and grapes. The production of these less cultivated crops tends to reflect traditional regional specializations and/or resource endowments rather than any particular commercial advantage, while their contribution to overall on-farm production and income tends to be small.

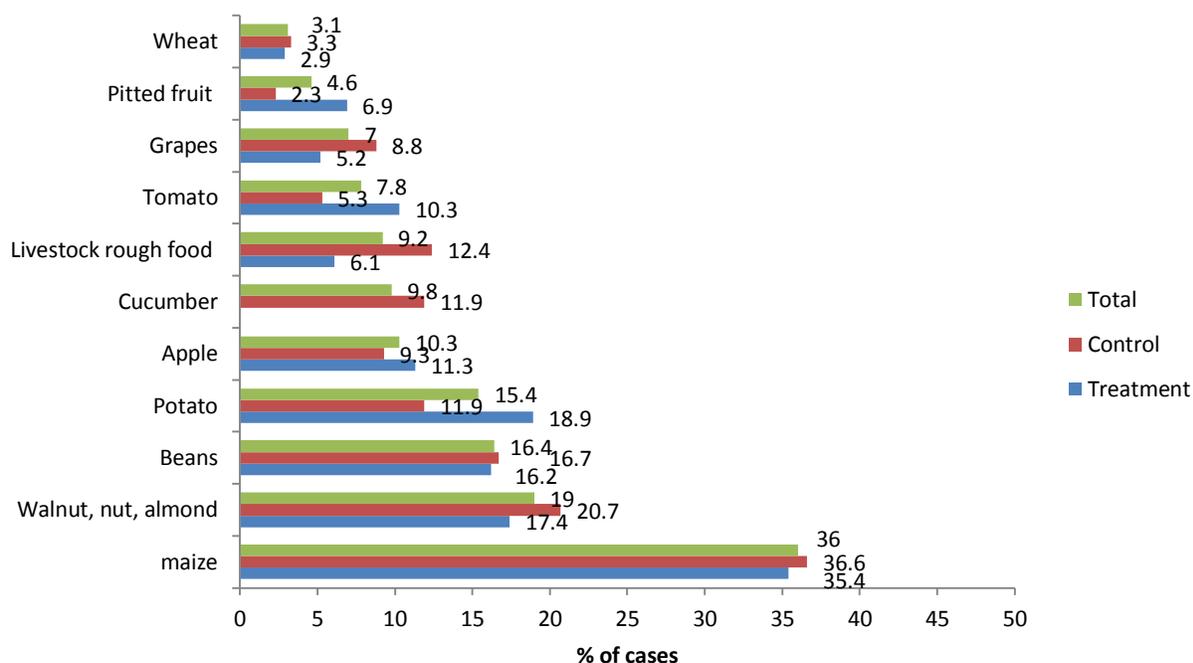
It was not possible to calculate the total area of cultivated land per crop, because the families that cultivate a single plot of land grow several crops together. During the interviews, respondents were asked to indicate the major crops they cultivated, but they were not asked to provide the exact shares of different crops on their plots of land.

Table 31: Crops Grown

Crop	Treatment (N)	Treatment (%Responses)	Treatment (% Cases)	Control (N)	Control (%Responses)	Control (% Cases)	Total (N)	Total (%Responses)	Total (% Cases)	<i>P-value (Chi square)</i>
Maize	144	24.2	35.4	145	24.7	36.6	289	24.5	36.0	0.88
Walnut, nut, almond	71	12.0	17.4	82	13.9	20.7	153	12.9	19.1	0.24
Beans	66	11.1	16.2	66	11.2	16.7	132	11.2	16.4	0.92
Potato	77	13.0	18.9	47	8.0	11.9	124	10.5	15.4	0.00
Apple	46	7.7	11.3	37	6.3	9.3	83	7.0	10.3	0.79
Cucumber	32	5.4	7.9	47	8.0	11.9	79	6.7	9.8	0.07
Livestock rough food (hay, straw, stubble)	25	4.2	6.1	49	8.3	12.4	74	6.3	9.2	0.00

Tomato	42	7.1	10.3	21	3.6	5.3	63	5.3	7.8	0.00
Grapes	21	3.5	5.2	35	6.0	8.8	56	4.7	7.0	0.09
Pitted fruit (cherry, plum, peach, wild plum....)	28	4.7	6.9	9	1.5	2.3	37	3.1	4.6	0.01
Wheat	12	2.0	2.9	13	2.2	3.3	25	2.1	3.1	0.52
Pkhaleuli, haricot, bean	6	1.0	1.5	8	1.4	2.0	14	1.2	1.7	
Herbs, radish, pepper	2	.3	.5	9	1.5	2.3	11	0.9	1.4	
Cabbage	8	1.3	2.0	1	.2	.3	9	0.8	1.1	
Livestock food crops (soy, barley, oat)	2	.3	.5	7	1.2	1.8	9	0.8	1.1	
Onion	2	.3	.5	6	1.0	1.5	8	0.7	1.0	
Pear	4	.7	1.0	0	0.0	0.0	4	0.3	0.5	
Young plants of grapevine, citrus and fruits (piece)	2	.3	.5	2	.3	.5	4	0.3	0.5	
Garlic	1	.2	.2	2	.3	.5	3	0.3	0.4	
Beetroot	0	0.0	0.0	1	.2	.3	1	0.1	0.1	
Carrot	0	0.0	0.0	1	.2	.3	1	0.1	0.1	
Eggplant	1	.2	.2	0	0.0	0.0	1	0.1	0.1	
Berries (strawberry, raspberry, currant, blackberry, goosebe)	1	.2	.2	0	0.0	0.0	1	0.1	0.1	
Laurel	1	.2	.2	0	0.0	0.0	1	0.1	0.1	

Figure 8: Crops Grown



Livestock Ownership: Almost two-thirds of respondent households have owned an average of eight poultry over the past 12 months. Another 59.3% of respondents owned cows, nearly one-third of the households owned a calf, and 17.2% of households owned pigs. Ownership of bulls, horses, sheep, rabbits, goats, beehives and donkeys was around 5% or less of respondent households. Livestock ownership is broadly similar among treatment and control households, although there are some significant differences in terms of the number of houses owning pigs and poultry and the number of goats, donkeys, and rabbits owned.

Table 32. Livestock Owned by the Household

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)	<i>P-value (Chi square)</i>
Cows	264	57.1	284	61.5	548	59.3	0.18
Bulls	19	4.1	29	6.3	48	5.2	0.13
Calves	152	32.9	161	34.8	313	33.9	0.53
Sheep	11	2.4	11	2.4	22	2.4	1.00
Goats	8	1.7	8	1.7	16	1.7	1.00
Pigs	66	14.3	93	20.1	159	17.2	0.02
Poultry	313	67.7	277	60.0	590	63.9	0.01

Donkeys	9	1.9	4	.9	13	1.4	0.16
Horses	15	3.2	8	1.7	23	2.5	0.14
Rabbits	10	2.2	7	1.5	17	1.8	0.46
Beehives	8	1.7	6	1.3	14	1.5	0.59

Figure 9: Livestock Owned by the Household

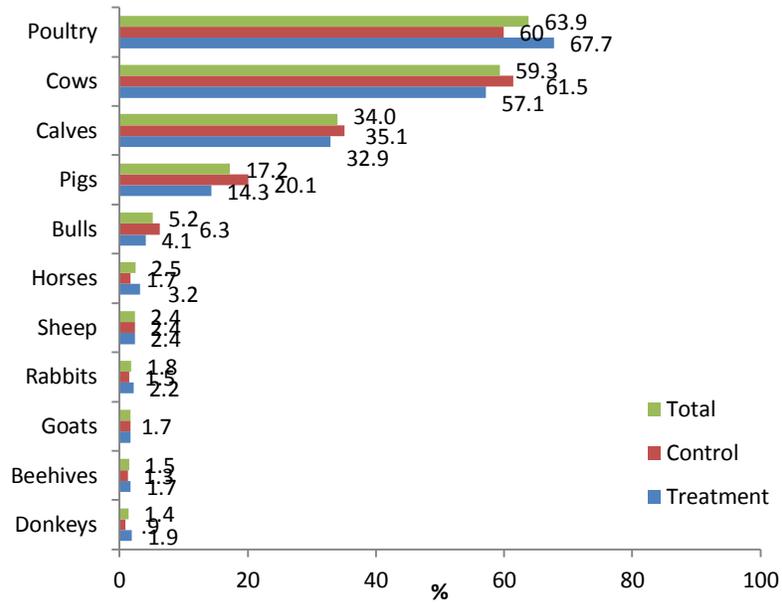


Table 33. Number of Livestock Owned by the Household

	Treatment	Control	Total	P-value (T test)
Cows	1.4	1.4	1.4	0.98
Bulls	1.1	1.3	1.2	0.13
Calves	1.3	1.3	1.3	0.64
Sheep	6.6	4.4	56	0.32
Goats	4.6	1.8	3.2	0.04
Pigs	1.3	1.8	1.6	0.12
Poultry	8.7	7.5	8.1	0.03
Donkeys	2.7	11.8	5.3	0.08
Horses	1.3	1.0	1.2	0.13
Rabbits	3.7	6.4	4.8	0.44
Beehives	5.6	7.8	6.6	0.46

Judging from the above results, the treatment and control groups are, with only a few exceptions, nearly identical to each other in terms of their household demographic characteristics and economic conditions. These findings indicate that we have successfully controlled for important observable characteristics of the two groups, such that what level of selection bias exists in the sample due to observable household characteristics has been effectively minimized by our sampling methodology.

6. c) Perceptions of Local Government

The survey included a series of questions intended to measure the respondents' perceptions of local government. For the purpose of clarification, the survey defined local government as including the following persons and positions: local Sakrebulo Council member, Sakrebulo Chairman, Trustee (Rtsmunebuli), and Gamgebeli.

Responsibility for Village Concerns: The survey read respondents a list of nine local community problems and asked them to indicate who was primarily responsible for solving these problems. It is evident from the responses that the respondents tend to see the Gamgebeli as the government official most responsible for solving local problems followed at a distance by the Sakrebulo Chairman, the Central Government, Local Sakrebulo Council Member, Rtsmunebuli, and lastly the Regional Governor. Respondents do not assign a large role to solving community problems to themselves and even much

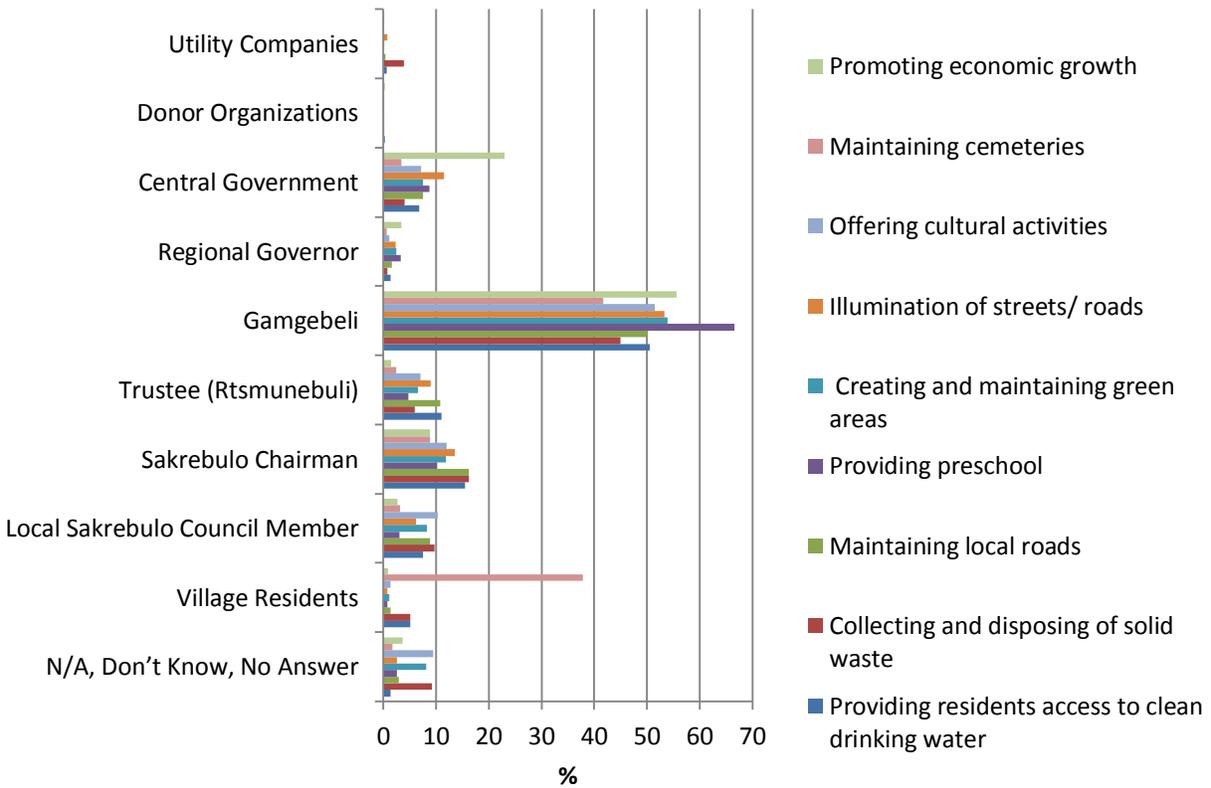
less so to donor organizations or utility companies. One exception to this latter finding is that respondents tend to place an important role on village residents for maintaining local cemeteries.

Table 34. Perceived Responsibility for Village Concerns (%)

	Village Residents	Local Sakrebulo Council Member	Sakrebulo Chairman	Trustee (Rtsmunbuli)	Gangebeli	Regional Governor	Central Government	Donor Organizations	Utility Companies	N/A
Treatment Group										
Clean drinking water	1.7	9.1	15.8	14.1	48.5	.6	8.0	0.2	0.4	1.5
Solid waste	5.0	14.1	12.3	6.5	42.2	.6	4.1	0.2	4.1	10.8
Local roads	0.6	14.1	13.0	10.8	46.3	2.4	8.4	0.2	0.4	3.7
Preschool	0.6	3.0	7.1	5.0	67.3	3.0	10.4	0.2	0.0	3.2
Green areas	1.1	11.3	11.0	7.8	47.8	3.0	8.4	0.2	0.2	9.1
Street illumination	0.4	8.4	12.1	9.1	49.1	2.2	14.1	0.2	1.1	3.2
Cultural activities	0.9	14.5	8.9	8.4	46.8	1.3	9.1	0.2	0.2	9.7
Cemeteries	44.8	4.3	4.3	2.8	37.9	0.4	3.7	0.2	0.0	1.5
Economic growth	0.6	3.5	4.3	0.9	55.2	4.3	27.9	0.6	0.0	2.6
Average	6.2	9.1	9.9	7.3	49.0	2.0	10.5	0.2	0.7	5.0
Control Group										
Clean drinking water	8.4	6.1	15.2	8.0	52.6	1.9	5.6	0.2	0.9	1.1
Solid waste	5.2	5.4	20.1	5.4	47.8	.9	3.9	3.7	0.0	7.6
Local roads	2.2	3.7	19.5	10.8	53.9	.9	6.5	0.4	0.0	2.2
Preschool	.9	3.0	13.2	4.5	65.8	3.5	7.1	0.0	0.0	1.9
Green areas	1.1	5.2	12.8	5.4	60.0	1.9	6.5	0.0	0.0	7.1
Street illumination	1.1	3.9	14.9	8.9	57.6	2.4	8.9	.4	0.0	1.9

Cultural activities	1.7	6.1	15.2	5.6	56.3	.9	5.2	0.0	0.0	9.1
Cemeteries	31.0	1.9	13.4	2.2	45.5	.9	3.2	0.0	0.0	1.9
Economic growth	1.1	1.9	13.4	2.2	56.1	2.4	18.0	0.2	0.0	4.8
Average	5.9	4.1	15.3	5.9	55.1	1.7	7.2	0.5	0.1	4.2
Total										
Clean drinking water	5.1	7.6	15.5	11.0	50.5	1.3	6.8	0.2	0.6	1.3
Solid waste	5.1	9.7	16.2	6.0	45.0	.8	4.0	0.1	3.9	9.2
Local roads	1.4	8.9	16.2	10.8	50.1	1.6	7.5	0.1	0.4	2.9
Preschool	0.8	3.0	10.2	4.8	66.6	3.2	8.8	0.1	0.0	2.6
Green areas	1.1	8.2	11.9	6.6	53.9	2.5	7.5	0.1	0.1	8.1
Street illumination	0.8	6.2	13.5	9.0	53.4	2.3	11.5	0.1	0.8	2.6
Cultural activities	1.3	10.3	12.0	7.0	51.5	1.1	7.1	0.1	0.1	9.4
Cemeteries	37.9	3.1	8.9	2.5	41.7	.6	3.5	0.1	0.0	1.7
Economic growth	0.9	2.7	8.9	1.5	55.6	3.4	22.9	0.3	0.1	3.7
Average	6.0	6.6	12.6	6.6	52.0	1.9	8.8	0.1	0.7	4.6

Figure 10: Who do you think is primarily responsible for the following village concerns?



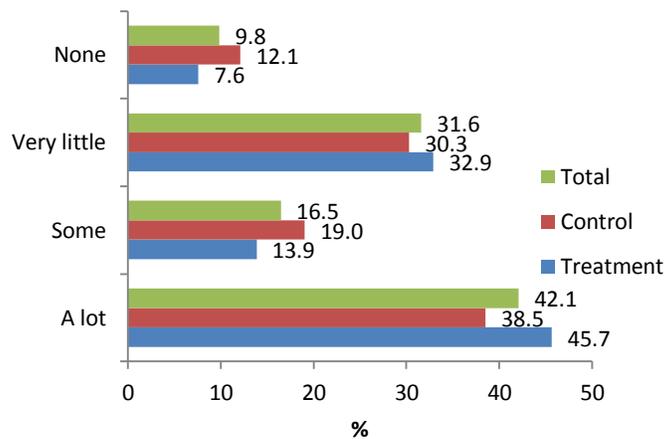
Impact of Local Government: Respondents were asked to assess how much impact they thought the local government has on their daily lives using a 4-point scale where 1 means ‘none’ and 4 means ‘a lot.’ Two-fifths of respondents think that local government has a significant impact on their lives, but another 40% think that local government has a very little or no impact at all. Control community respondents believe the local government’s impact to be higher compared to the treatment group, and this difference is statistically significant, although both groups indicate that that local government has ‘very little’ impact on their lives.

Table 35. Perceived Impact of Local Government¹¹

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
A lot	211	45.7	178	38.5	389	42.1
Some	64	13.9	88	19.0	152	16.5
Very little	152	32.9	140	30.3	292	31.6
None	35	7.6	56	12.1	91	9.8
Mean	2.0		2.2		2.1	

P-value=0.51 (T-test)

Figure 11: How much impact do you think your local government has on your daily life?



Interest in local government affairs: The survey next asked how much interest respondents had in their local government using a 4-point scale where 1 means ‘no’ interest and 4 means ‘a lot’ of interest. Three quarters of respondents indicated that they have very little or no interest in what is going on with their local governments. Only one quarter of respondents is ‘more or less’ or ‘very interested’ in local government affairs. On average, respondents in both treatment and control groups say that they have ‘some’ interest in local government. The difference between the two groups is not statistically significant.

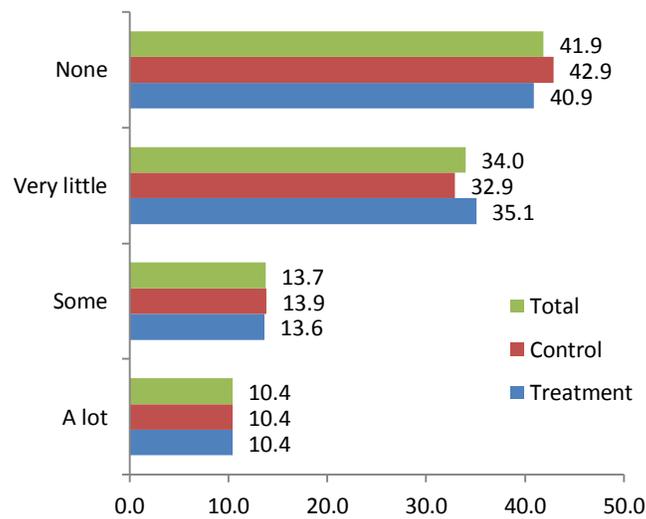
¹¹ To interpret the 4-point scales, we group responses into four response categories corresponding to the following ranges: 1-1.75, 1.76-2.50, 2.51-3.25, and 3.26-4. As an example, in this case a score of 1-1.75 means local government has ‘no impact’ on respondents’ daily lives, a score of 1.76-2.50 means ‘very little impact,’ a score of 2.51-3.25 means ‘some impact,’ and a score of 3.26-4 means ‘significant impact.’

Table 36. Interest in Local Government

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
A lot	48	10.4	48	10.4	96	10.4
Some	63	13.6	64	13.9	127	13.7
Very little	162	35.1	152	32.9	314	34.0
None	189	40.9	198	42.9	387	41.9
Mean	3.1		3.1		3.1	

P-value=0.78 (T-test)

Figure 12: How much interest do you have in what is going on with your local government?



Perceptions of local government performance: Several survey questions asked respondents to indicate the extent to which they agreed or disagreed with statements on local government performance using a 5-point scale in which a 1 indicates ‘strongly disagree’ and a 5 indicates ‘strongly agree.’ Control respondents consistently express more favorable opinions about the local government than treatment respondents with many of the differences being statistically significant. In all of these cases, however, respondents in both groups neither agree nor disagree with the relevant statement. Taking all of the answers together, the mean response for the two groups is a 3.04 indicating an overall neutral perception of local government, and the overall difference between the two groups is statistically insignificant.

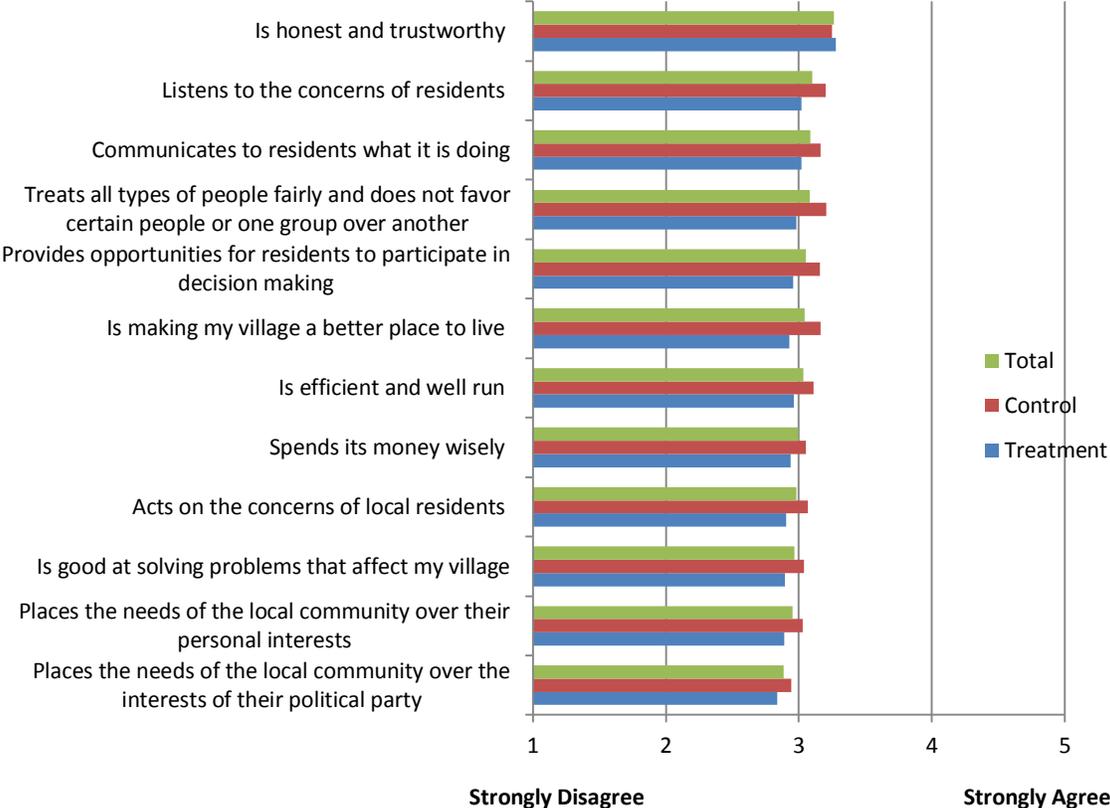
Table 37. Agreement with Statements about Local Government¹²

My local government . . .	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value (T-test)</i>
Is making my village a better place to live	2.9	3.16	3.0	.00
Is efficient and well run	3.0	3.1	3.0	.00
Spends its money wisely	2.9	3.06	3.0	.06
Is good at solving problems that affect my village	2.9	3.0	3.0	.06
Is honest and trustworthy	3.9	3.3	3.3	.13
Provides opportunities for residents to participate in decision making	3.0	3.2	3.1	.13
Communicates to residents what it is doing	3.0	3.2	3.1	.07
Listens to the concerns of residents	3.0	3.2	3.1	.07
Acts on the concerns of residents	2.9	3.07	3.0	.73
Treats all types of people fairly	3.0	3.2	3.1	.73
Places the needs of the local community over their personal needs	3.0	3.0	3.0	.01

¹² To interpret the 5-point scales, we group responses into five response categories corresponding to the following ranges: 1-1.80, 1.81-2.60, 2.61-3.40, 3.41-4.2, and 4.21-5. As an example, in this case a score of 1-1.80 means ‘strongly disagree,’ a score of 1.81-2.60 means ‘somewhat disagree,’ a score of 2.61-3.40 means ‘neither agree nor disagree,’ a score of 3.41-4.2 means ‘somewhat agree,’ and a score of 4.21-5.0 means ‘strongly agree.’

Places the needs of the local community over the interests of their political party	2.8	3.0	2.9	.01
Overall mean	3.0	3.1	3.0	0.7

Figure 13: To what extent do you agree or disagree with following statements?



Satisfaction with local government services: The survey next asked respondents to evaluate the extent of their satisfaction with the local government services using 5-point scale in which 1 means ‘very unsatisfied’ and 5 means ‘very satisfied.’ On average, respondents are dissatisfied the local government services. The highest rated service is access to clean drinking water, and it is the only service for which the respondents express satisfaction. At the other end of the spectrum, respondents are least satisfied with the provision of cultural activities.

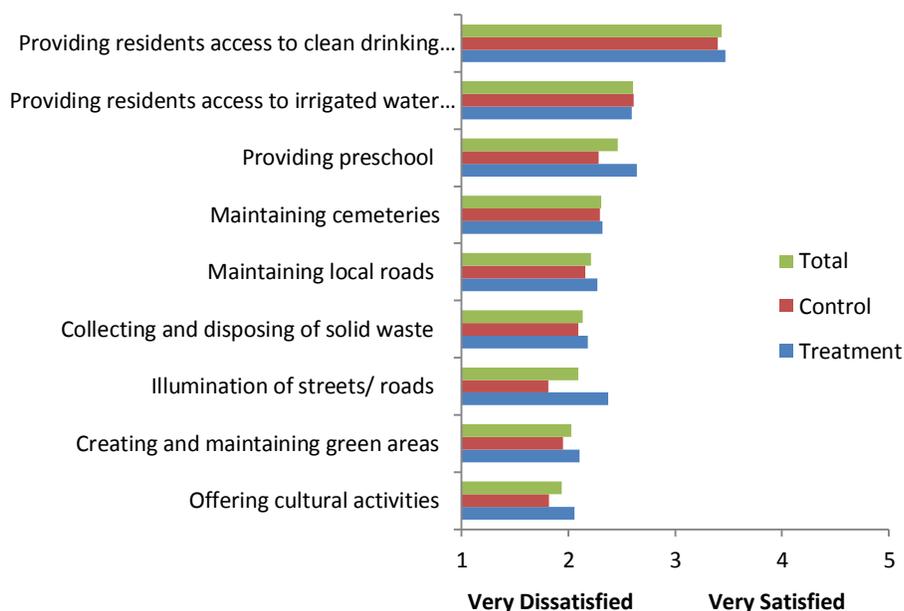
Treatment group respondents consistently express higher levels of satisfaction, and the differences are statistically significant for providing preschool, creating and maintaining green areas, illumination of streets/roads, and offering cultural activities. In all of these cases, however, respondents in both groups are ‘dissatisfied’ with the service. Taking all of the answers together, the means response for the two

groups is a 2.36 indicating dissatisfaction with service delivery overall, and the difference between the two groups is statistically insignificant.

Table 38. Satisfaction with Local Government Service Delivery

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value</i> (<i>T-test</i>)
Providing residents access to clean drinking water	3.5	3.4	3.4	.36
Providing residents access to irrigated water	2.6	2.6	2.6	.85
Collecting and disposing of solid waste	2.2	2.1	2.1	.20
Maintaining local roads	2.3	2.2	2.2	.18
Providing preschool	2.6	2.3	2.5	.00
Creating and maintaining green areas	2.1	2.0	2.0	.02
Illumination of streets/roads	2.4	1.8	2.1	.00
Offering cultural activities	2.1	1.8	1.9	.00
Maintaining cemeteries	2.3	2.3	2.3	.80
Overall mean	2.5	2.3	2.4	.13

Figure 14: To what extent are you satisfied with the following local services in your village?



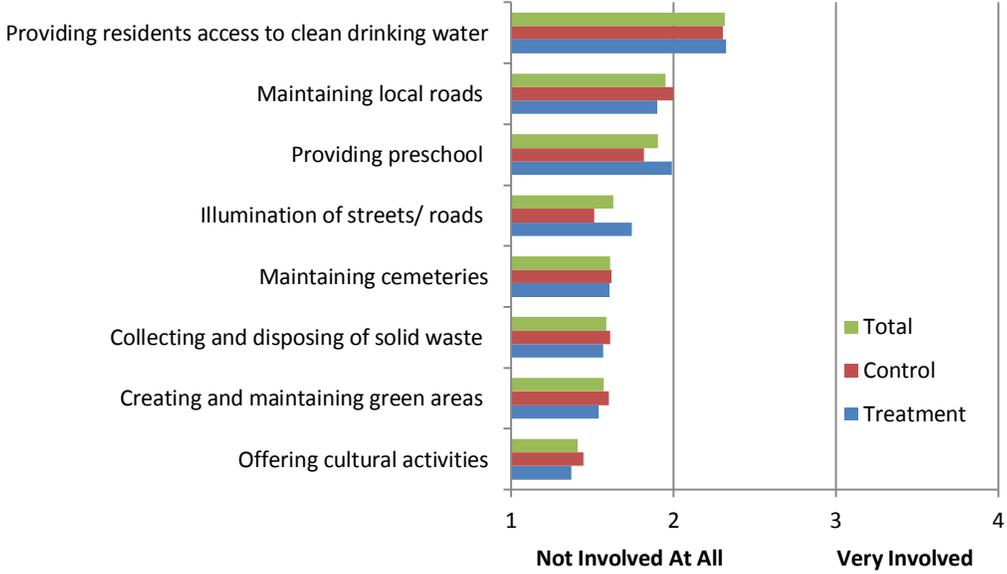
Perceptions of local government involvement in service delivery: The survey asked respondents to indicate how involved the local government is with the provision of selected services using a 4-point scale in which 1 means ‘not at all involved’ and 4 means ‘very involved.’ Respondents think that local government is mostly not involved in providing residents the access to the listed services. Treatment group members are significantly more likely to say that local government provides preschool illumination of streets/roads, although both still think on average that the local government is not involved in providing them. Taking all of the answers together, the means response for the two groups is a 1.75 indicating that respondents generally do not think that the local government is responsible for delivery of basic services, and the difference between the two groups is statistically insignificant.

Table 39. Perceptions of Local Government Involvement in Delivering Services

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value (T-test)</i>
Providing residents access to clean drinking water	2.3	2.3	2.3	.80
Collecting and disposing of solid waste	1.6	1.6	1.6	.50
Maintaining local roads	1.9	2.0	2.0	.20
Providing preschool	2.0	1.8	1.9	.03
Creating and maintaining green areas	1.5	1.6	1.6	.35
Illumination of streets/roads	1.7	1.5	1.6	.00

Offering cultural activities	1.4	1.45	1.4	.19
Maintaining cemeteries	1.6	1.6	1.6	.87
Overall mean	1.8	1.7	1.8	.90

Figure 15: How much do you feel the local government is currently involved in each of the following?



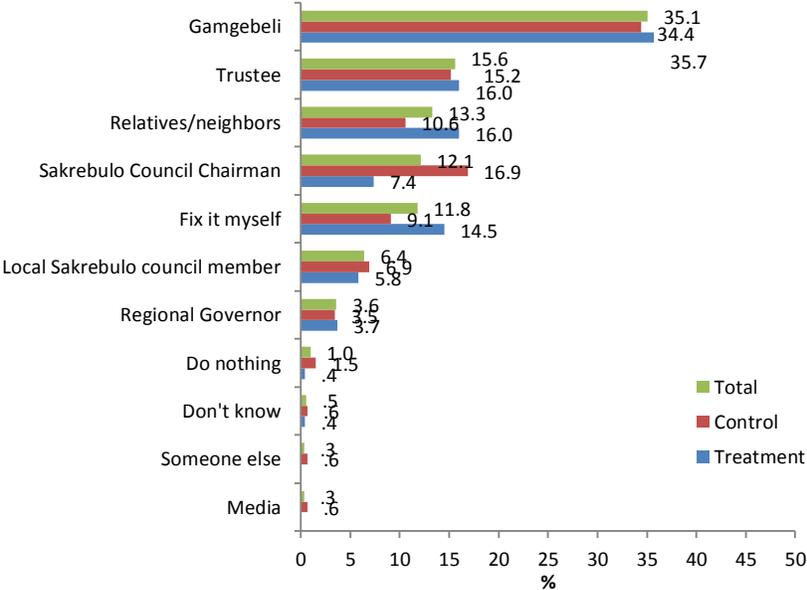
Resolution of service delivery problems: The survey asked respondents who they would turn to first and second if they had problems with public services. Nearly one-third of respondents would turn first to the Gamgebeli followed at some distance by the Rtsmunebuli, relatives and friends, and Sakrebulo Council Chairman. Nearly 12% would prefer to solve the problem on their own. Another third listed the Gamgebeli as their second choice to address problems with public services followed closely by the Regional Governor with 28%, while around 11% would try to fix the problem themselves as their second option. No statistically significant differences were found between treatment and control communities.

Table 40. Importance of Potential Source for Solving Problems with Local Services

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Who would you turn to first?						
Local Sakrebulo council member	27	5.8	32	6.9	59	6.4
Trustee	74	16.0	70	15.2	144	15.6
Gamgebeli	165	35.7	159	34.4	324	35.1
Sakrebulo Council Chairman	34	7.4	78	16.9	112	12.1
Regional Governor	17	3.7	16	3.5	33	3.6
Relatives/neighbors	74	16.0	49	10.6	123	13.3
Media	0	0.0	3	.6	3	0.3
Someone else	0	0.0	3	.6	3	0.3
Fix it myself	67	14.5	42	9.1	109	11.8
Do nothing	2	0.4	7	1.5	9	1.0
Don't know	2	0.4	3	.6	5	0.5
Who would you turn to second?						
Local Sakrebulo council member	6	1.3	5	1.1	11	1.2
Trustee	41	8.9	29	6.3	70	7.6
Gamgebeli	117	25.3	180	39.0	297	32.1
Sakrebulo Council Chairman	23	5.0	14	3.0	37	4.0
Regional Governor	127	27.5	132	28.6	259	28.0
Relatives/neighbors	23	5.0	19	4.1	42	4.5
Media	0	0.0	0	0.0	0	0.0

Someone else	49	10.6	20	4.3	69	7.5
Fix it myself	63	13.6	36	7.8	99	10.7
Do nothing	13	2.8	27	5.8	40	4.3

Figure 16: If you have problems with any of the previous local services, to whom would you turn first?



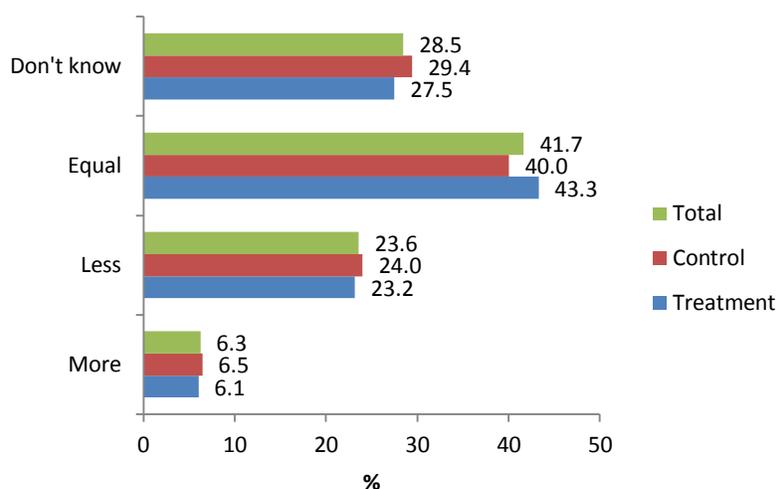
Women’s access and influence: The survey asked respondents how much access and influence they thought women had compared to men over decisions made by local government authorities. Over 40% of respondents think that men and women are equally involved in local community decision-making, just over one-quarter of respondents say that they were equally involved, and around 6% of respondents say that women are more involved in local community decision-making. Interestingly, a significant percentage of respondents (28.5%) could not decide whether men or women are more actively involved in local community decision-making. There is no statistically significant difference between treatment and control group responses.

Table 41. Women’s’ Access and Influence on Decisions by Local Authorities vs. Men’s

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
More	28	6.1	30	6.5	58	6.3
Less	107	23.2	111	24.0	218	23.6
Equal	200	43.3	185	40.0	385	41.7
Don't know	127	27.5	136	29.4	263	28.5

P-value=0.79 (Contingency coefficient)

Figure 17: Do women have more, less, or equal access and influence as men to decisions taken by local authorities?



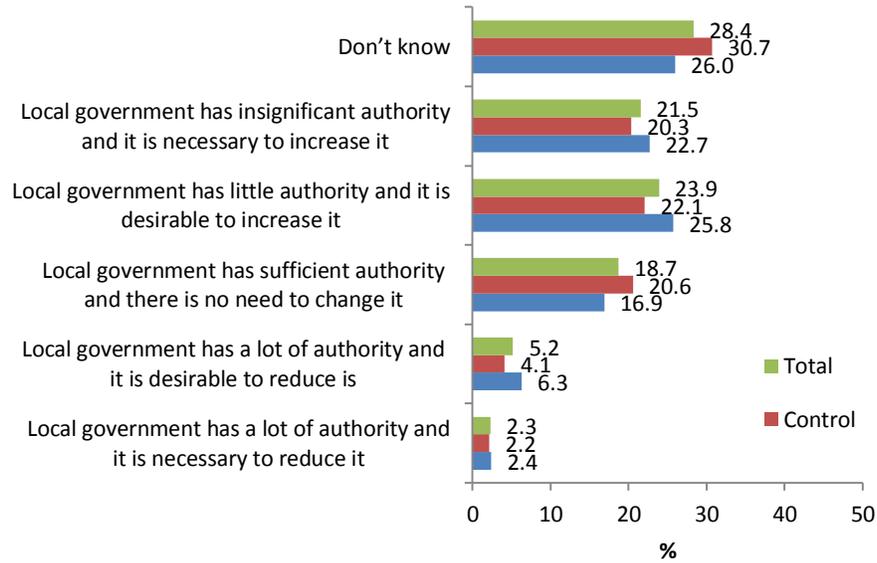
Perceived authority of local government: The survey asked respondents their opinions on the actual and desirable level of authority exercised by local government. Nearly one-half of respondents think that local government has insignificant or little authority and that it is desirable or necessary to increase it. Only 7.5% of respondents believe that the local government has a lot of authority and it is desirable or necessary to reduce it. Another one-fifth of respondents think that local government has just the right amount of authority. A large percentage of the respondents (28.4%) were not able, or chose not, to answer this question. No statistically significant differences were found between treatment and control communities.

Table 42. Perceived Authority Exercised by Local Government

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
A lot of authority and necessary to reduce it	11	2.4	10	2.2	21	2.3
A lot of authority and desirable to reduce it	29	6.3	19	4.1	48	5.2
Sufficient authority and no need to change it	78	16.9	95	20.6	173	18.7
Little authority and desirable to increase it	119	25.8	102	22.1	221	23.9
Insignificant authority and necessary to increase it	105	22.7	94	20.3	199	21.5
Don't know	120	26.0	142	30.7	262	28.4

P-value=0.18 (Contingency coefficient)

Figure 18: Perceived Authority Exercised by Local Government (P9)



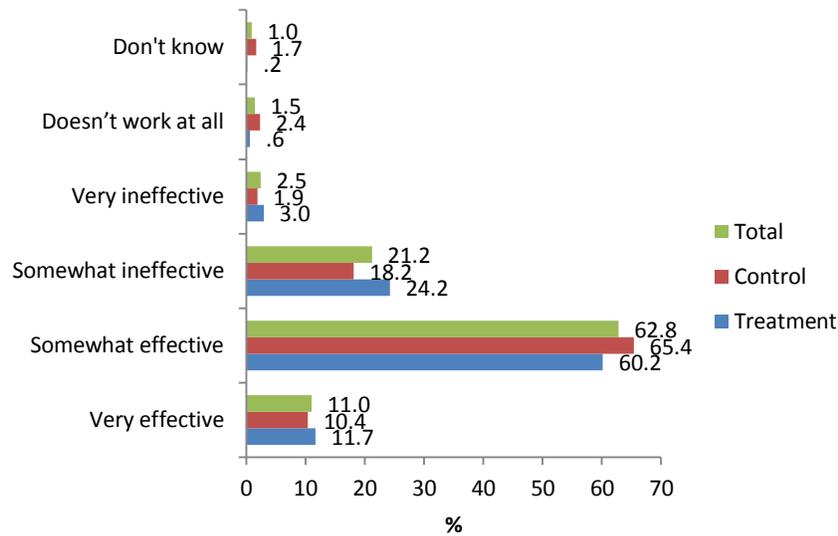
Perceived effectiveness of local government: Respondents were asked to assess how effective they think their local government is on a 5-point scale with 1 meaning ‘very ineffective’ and 5 meaning ‘very effective.’ The largest group of respondents (62.8%) rated their local government as ‘somewhat effective’ followed by 21.2% who rated their local government as ‘somewhat ineffective.’ On balance, both treatment and control members rated their local government as ‘somewhat effective.’ There is no statistically significant difference between treatment and control group responses.

Table 43. Perceived Local Government Effectiveness

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Very effective	54	11.7	48	10.4	102	11.0
Somewhat effective	278	60.2	302	65.4	580	62.8
Somewhat ineffective	112	24.2	84	18.2	196	21.2
Very ineffective	14	3.0	9	1.9	23	2.5
Doesn't work at all	3	0.6	11	2.4	14	1.5
Don't know	1	0.2	8	1.7	9	1.0
Mean	3.8		3.8		3.8	

P-value=0.76 (T-test)

Figure 19: Perceived Local Government Effectiveness (P10)

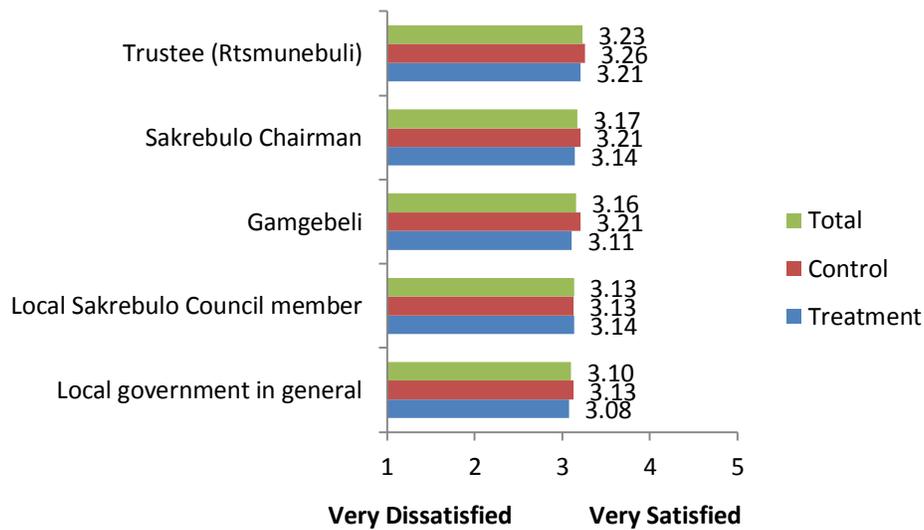


Satisfaction with local government officials: Finally, respondents were asked to estimate their overall satisfaction with five different local government officials and local government overall using a 5-point scale with 1 meaning ‘very dissatisfied’ and 5 meaning ‘very satisfied.’ The responses for all five local officials and local government overall clustered around the mid-point indicating that the respondents are on average neither satisfied nor dissatisfied with the local government officials and with local government overall. No statistically significant differences were found between treatment and control communities.

Table 44. Satisfaction with Local Government Officials

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value (T-test)</i>
Local Sakrebulo Council member	3.14	3.13	3.13	.89
Sakrebulo Chairman	3.14	3.21	3.17	.27
Trustee (Rtsmunebuli)	3.21	3.26	3.23	.53
Gamgebeli	3.11	3.21	3.16	.12
Local government in general	3.08	3.13	3.10	.40

Figure 20: Taking everything into account, how satisfied are you with the following?



6. d) Civic Engagement

Interest and engagement in community affairs: Respondents were first asked to assess the level of their interest in local community affairs and then rate their involvement in these affairs using a 4-point scale. Comparison of the mean responses reveals that the respondents' interest in community affairs is higher than their actual involvement in these affairs. Differences between treatment and control communities with regard to the levels of civic engagement are statistically significant. Control communities are both more interested and more involved in the affairs of their villages, although it should be noted that overall both groups share broadly similar levels of interest and involvement in village affairs. In the first case, both groups are 'very interested' in village affairs, and in the second case, both groups are 'somewhat involved' in village affairs.

Table 45. Interest in Village Affairs

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Very interested	252	54.5	273	59.1	525	56.8
Somewhat interested	149	32.3	152	32.9	301	32.6
Not very interested	43	9.3	21	4.5	64	6.9
Not at all interested	18	3.9	16	3.5	34	3.7
Mean	3.4		3.5		3.4	

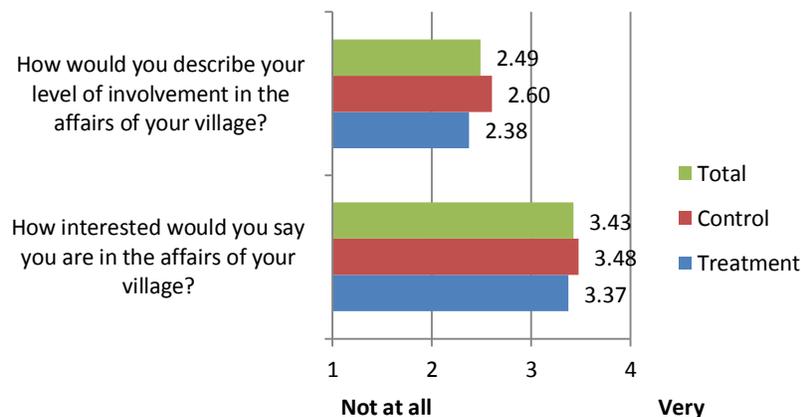
P-value=0.05 (T-test)

Table 46. Involvement in Village Affairs

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Very involved	75	16.2	78	16.9	153	16.6
Somewhat involved	158	34.2	210	45.5	368	39.8
Not very involved	95	20.6	87	18.8	182	19.7
Not at all involved	134	29.0	87	18.8	221	23.9
Mean	2.4		2.6		2.5	

P-value=0.00 (T-test)

Figure 21: Interest in Village Affairs and Involvement in Village Affairs



Knowledge of civic engagement: Respondents were next asked about their attitudes toward civic engagement in local community affairs and their awareness of the opportunities for involvement in community affairs. The former uses a 4-point scale where 1 means ‘don’t know at all’ and 4 means ‘know well, and the latter uses a 5-point scale where 1 means ‘strongly disagree’ and 5 means ‘strongly agree.’

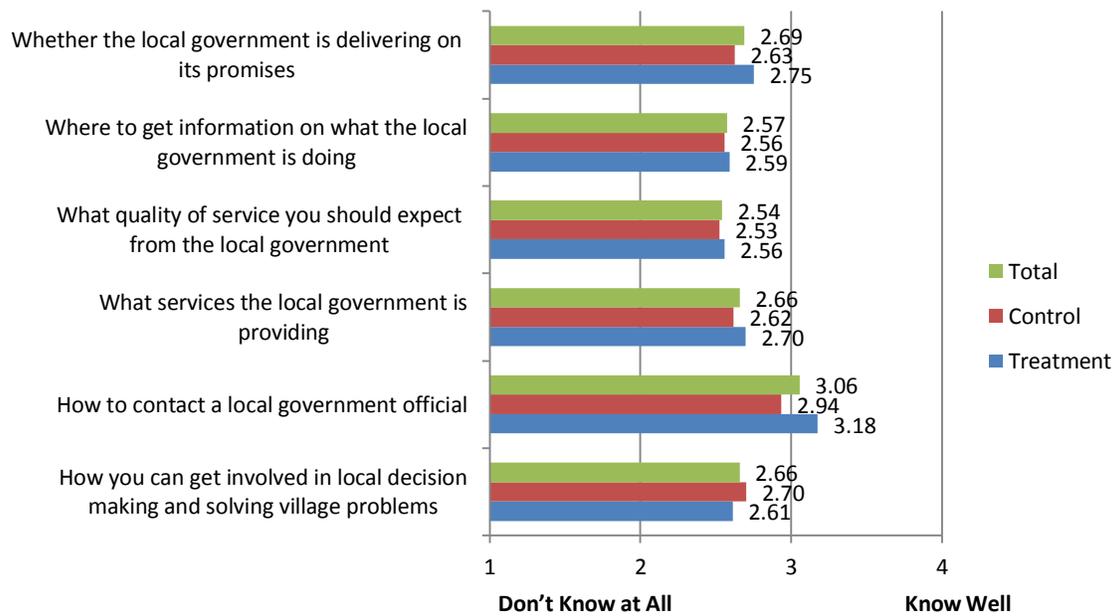
In the first case, the mean scores on all individual items and overall fall somewhere between 2.51 and 3.25 indicating that the respondents have ‘pretty good’ knowledge of the issues. With two exceptions, the differences between the treatment and control group are statistically insignificant. The exceptions are awareness of how to contact a local government official and whether the local government is delivering on its promises. In the first case, treatment group respondents are more likely to know how to contact the official, while in the second case, treatment group respondents are more likely to think that the local government is delivering on its promises. Both treatment and control groups, however,

know ‘pretty well’ how to contact a local government official and whether local government is delivering on its promises.

Table 47. Knowledge of Civic Engagement

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value</i> (<i>T-test</i>)
How you can get involved in local decision making and solving village problems	2.6	2.7	2.7	.15
How to contact a local government official	3.2	2.9	3.1	.00
What services the local government is providing	2.7	2.6	2.7	.19
What quality of service you should expect from the local government	2.6	2.5	2.5	.61
Where to get information on what the local government is doing	2.6	2.6	2.6	.63
Whether the local government is delivering on its promises	2.8	2.6	2.7	.06
Overall mean	2.7	2.7	2.7	.19

Figure 22: Do you know . . . ?

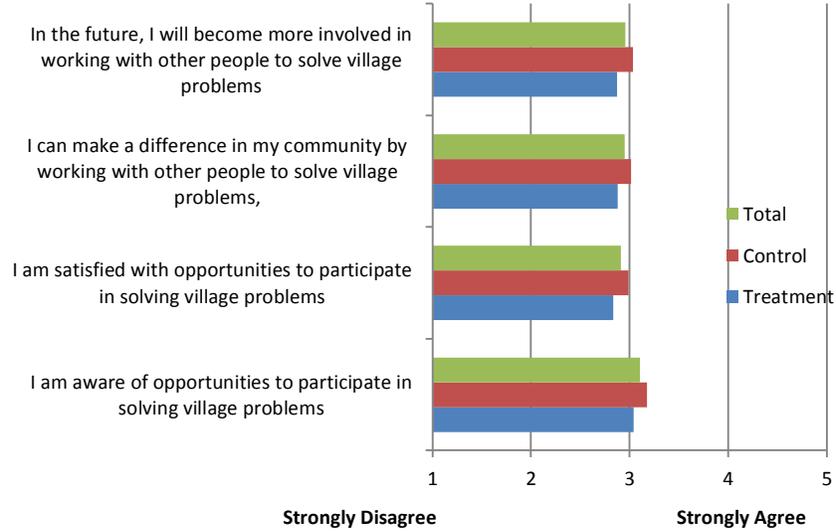


Relative to the treatment respondents, control respondents are consistently better aware of and satisfied with the opportunities for civic engagement, say they will become more active in the future, and are more convinced they can make a difference in solving local village issues. They also score significantly higher than treatment group respondents on the overall score across all dimensions of the question. Notwithstanding, responses in all cases cluster around 3 indicating that respondents in both groups on average ‘neither agree nor disagree’ with the relevant statement.

Table 48. Attitudes toward Civic Engagement

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value (T-test)</i>
I am aware of opportunities to participate in solving village problems	3.04	3.18	3.11	.05
I am satisfied with opportunities to solve village problems	2.83	2.99	2.91	.02
I can make a difference in my community by working with other to solve village problems	2.88	3.02	2.95	.05
In the future. I will become more involved in working with other people to solve village problems	2.88	3.03	2.95	.03
Overall mean	2.91	3.06	2.98	.02

Figure 23: Attitudes toward Civic Engagement -Please indicate your level of agreement with each of the following statements



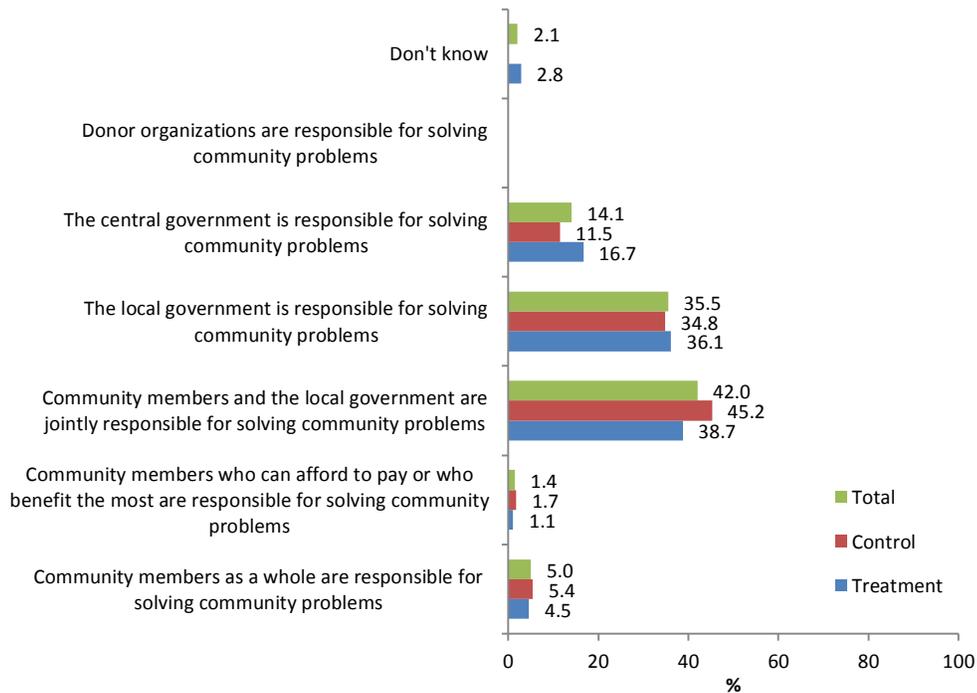
Responsibility for solving community problems: To gauge respondents’ perceptions of the importance of community involvement in solving local concerns, the survey asked respondents to identify who they think is most responsible for solving community problems. A plurality of respondents (43%) thinks that local government and local community members are equally responsible for solving local concerns followed by more than one-third of respondents who think that local government is primarily responsible, and 14% who think that central government is primarily responsible. No statistically significant differences were found between treatment and control communities.

Table 49. Responsibility for Solving Community Problems

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Community members as a whole are responsible for solving community problems	21	4.5	25	5.4	46	5.0
Community members who can afford to pay or who benefit the most are responsible for solving community problems	5	1.1	8	1.7	13	1.4
Community members and the local government are jointly responsible for solving community problems	179	38.7	209	45.2	388	42.0
The local government is responsible for solving community problems	167	36.1	161	34.8	328	35.5
The central government is responsible for solving community problems	77	16.7	53	11.5	130	14.1
Donor organizations are responsible for solving community problems	0	0.0	0	0.0	0	0.0
Don't know	13	2.8	6	1.3	19	2.1

P-value=0.11 (Contingency coefficient)

Figure 24: Who is responsible for solving community problems?

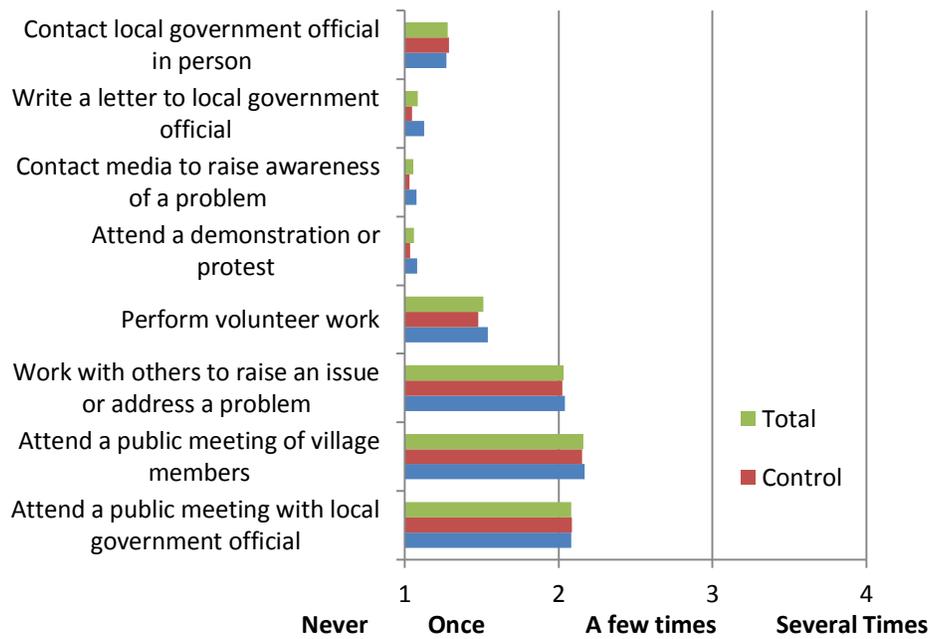


Civic engagement: Respondents were given a list of acts of civic participation and asked to indicate which they or their family members have engaged in over the past 12 months using a 4-point scale where 1 means ‘never’ and 4 means ‘frequently.’ According to the survey findings, the level of civic engagement is low both in treatment and control communities. Respondents or their household members in both treatment and control groups have never participated in protests or demonstrations, have never written a letter to local government, and have never contacted media to raise awareness about their local concerns. Respondents in both groups were more likely to have attended a public meeting with village members of local government officials or worked with others to solve a local problem, but on average no more than once over the past 12 months. Treatment group respondents were significantly more likely than control group respondents to have attended a demonstration or protest and contacted local media, although respondents in both groups only did so at most once over the last 12 months.

Table 50. Acts of Civic Engagement

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value (T-test)</i>
Attend a public meeting with local government official	2.1	2.1	2.1	.96
Attend a public meeting of village members	2.2	2.2	2.2	.85
Work with others to raise an issue or address a problem	2.0	2.0	2.0	.83
Perform volunteer work	1.5	1.5	1.5	.36
Attend a demonstration or protest	1.1	1.0	1.1	.06
Contact media to raise awareness of a problem	1.1	1.0	1.1	.05
Write a letter to local government official	1.1	1.1	1.1	.31
Contact local government official in person	1.2	1.2	1.2	.49

Figure 25: Acts of Civic Engagement



Personal contact with local government officials: Twenty percent of respondents have personally contacted a local government official at least once over the past 12 months. Respondents contacted the Gamgebeli and Trustee approximately the same amount followed at a moderate distance by the local Sakrebulo Council member and then at a large distance by the Sakrebulo Council Chairman. The most common reason given for contacting the local government official is to obtain information followed by improving local services and asking for support.

Table 51. Contacted Local Government Representative

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	86	18.6	99	21.4	185	20.0
No	376	81.4	363	78.6	739	80.0

P-value=0.285 (Chi-square)

Figure 26: Contacted Local Government Representative

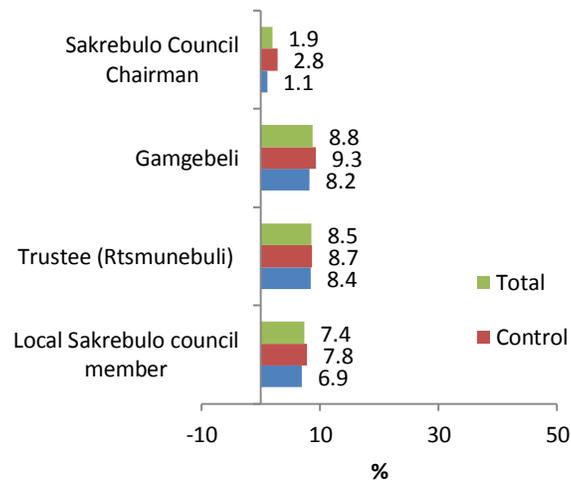


Table 52. Reason for Contacting Local Government Representative

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Improve local services	23	5.0	28	9.1	65	7.0
Get information	66	14.3	80	11.7	117	12.7
Ask for support	20	4.3	24	8.0	49	5.3

Those contacting local government officials in the last 12 months were then asked to assess the extent of their satisfaction with their experience using a 5-point scale where 1 means ‘very unsatisfied’ and 5 means ‘very satisfied.’ For the most part, the respondents were satisfied with their experience. Interestingly, the Sakrebulo Council Chairman received the highest score among treatment respondents and the lowest score among control respondents, with the difference between the two groups being statistically significant. The differences between the treatment and control group are statistically insignificant in all other cases.

Table 53. Satisfaction with Local Government Representatives

	Treatment (Mean)	Control (Mean)	Total (Mean)	<i>P-value (T-test)</i>
Local Sakrebulo Council member	3.8	3.7	3.7	.85
Trustee (Rtsmunebuli)	3.9	3.8	3.9	.66
Gamgebeli	3.4	3.5	3.5	.76

Sakrebulo Council Chairman	4.2	2.9	3.9	.06
Overall mean	3.8	3.5	3.6	.28

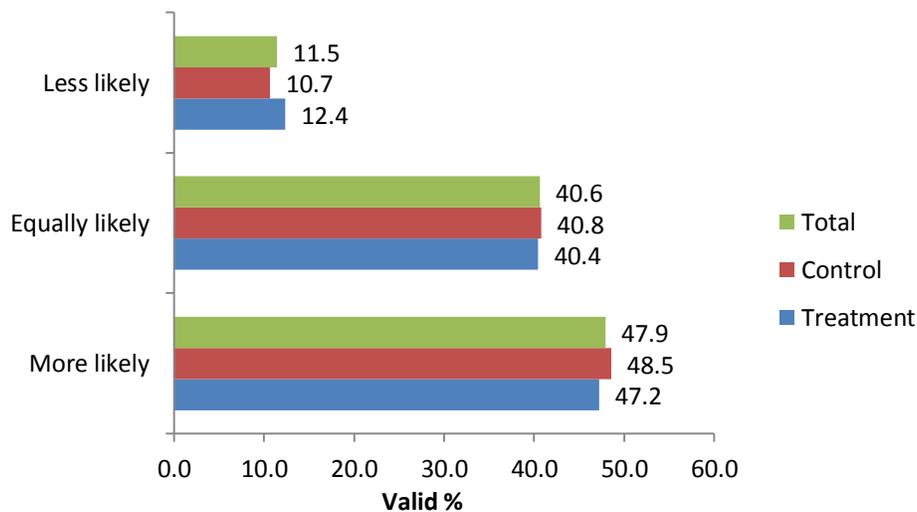
Likelihood of contacting local government officials in the future: Considering their past experience with the local government officials, almost one-half of respondents think that it is more likely that they will contact local officials again in future, while almost one in every ten respondents think that it is less likely that they will contact a local government official in the future. No statistically significant differences were found between treatment and control communities.

Table 54. Likelihood of Contacting Local Government Representative in the Future

	Treatment (N)	Treatment (Valid %)	Control (N)	Control (Valid %)	Total (N)	Total (Valid %)
More likely	42	47.2	50	48.5	92	47.9
Equally likely	36	40.4	42	40.8	78	40.6
Less likely	11	12.4	11	10.7	22	11.5

P-Value=0.93 (Contingency coefficient)

Figure 27: Likelihood of Contacting Local Government Representative in the Future (C9)



6. e) Infrastructure and Involvement

Awareness of community infrastructure projects: To study community awareness of infrastructure projects and their involvement in project discussions, survey respondents were asked to indicate the

infrastructure projects that were implemented in their communities and recall whether public discussions were held about the infrastructure projects.

Sixty-percent of the respondents were unable to recall any infrastructure project in their community, 23.7% of respondents cited a single infrastructure project, 12.3% cited two infrastructure projects, and 3.4% cited three infrastructure projects. No statistically significant differences were found between treatment and control communities.

Table 55. Number of Infrastructure Projects Implemented in the Community

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
0	279	60.4	281	60.8	560	60.6
1	120	26.0	99	21.4	219	23.7
2	52	11.3	62	13.4	114	12.3
3	11	2.4	20	4.3	31	3.4

P-value=0.30 (T-test)

Water pipe rehabilitation projects were the most commonly cited community infrastructure projects followed by school construction, road construction/rehabilitation, electricity provision, and gas pipes.

Table 56. Number of Types of Infrastructure Projects Implemented in the Community

	Treatment (N)	Control (N)	Total (N)
Schools	42	60	102
Roads	37	46	83
Water pipes	64	63	127
Gas pipes	5	20	25
Electricity	46	34	80
Local roads	46	33	79
Irrigation	3	2	5
River-banks	0	0	0
Tourism	0	0	0
Other	14	25	39

TOTAL	257	283	540
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When asked who implemented the local infrastructure projects, respondents were most likely to mention the local government followed at a large distance by the central government, donor organizations, and local inhabitants.

Table 57. Groups/Organizations Implementing Infrastructure Projects in the Community

	Treatment (N)	Control (N)	Total (N)
Local government	136	134	270
Central government	63	87	150
Local inhabitants	3	7	10
Donor organization	27	7	34
Don't know	28	47	75

According to the respondents' recollections, around three-fourths of infrastructure projects were preceded by public discussions. This was true in both treatment and control communities.

Table 58. Were Public Discussions Held before Implementing Infrastructure Projects in the Community?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	135	75.8	129	74.6	264	75.2
No	43	24.2	44	25.4	87	24.8

P-value=0.43 (Chi-square)

Attendance of public discussions about community infrastructure projects: Where public discussions were held, control community households were more likely to have attended than treatment community households.

Table 59. Did Household Members Attend the Public Discussions?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	107	66.6	114	79.2	221	72.5
No	104	64.6	94	65.3	198	65

P-value=0.02 (Chi-square)

Status and perceived benefits of community infrastructure projects: According to the respondents' recollection, the majority of the infrastructure projects cited have since been completed, although the rate of completion is higher in treatment communities than in control communities.

Table 60. Is the Project Completed?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	182	80.9	167	72.9	349	76.9
No	43	19.1	62	27.1	105	23.1

Where community infrastructure projects have been implemented, around 95% of respondents in both treatment and control communities believe that the projects were beneficial.

Table 61. Was the Project Beneficial?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	221	95.3	243	94.2	464	94.7
Initially but not now	7	3	5	1.9	12	2.4
No	4	1.7	10	3.9	14	2.9

Who decides whether a community infrastructure project is needed: Nearly two-thirds of respondents believe that the local government makes the decision whether an infrastructure project is needed in the community, while one-quarter of respondents believe that the central government makes the decision, and another 12%-15% believe the donor organizations make the decision. No statistically significant differences exist between treatment and control respondents.

Table 62. Who Decides Whether an Infrastructure Project is needed in the Community?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)	P-value (Chi square)
Local government	298	64.5	310	67.1	608	65.8	0.80
Central government	119	25.8	115	24.9	234	25.3	0.76
Local inhabitants	0	0.0	1	0.2	1	0.1	0.33
Donor organization	70	15.2	54	11.7	124	13.4	0.28
Don't know	61	13.2	60	13	121	13.1	0.13

Who decides which community infrastructure project is implemented: About one-half of respondents believe that the local government decides which infrastructure projects are implemented in the local community, while one-third thinks that the decision is made by the central government, another 16% believe that local inhabitants make the decision, and 13% do not know who makes this decision. No statistically significant differences were found between treatment and control communities.

Table 63. Who Decides Which Infrastructure Project is implemented?

	Treatment (N)	Treatment (% Cases)	Control (N)	Control (% Cases)	Total (N)	Total (% Cases)	P-value (Chi square)
Local government	231	50	238	51.5	469	50.8	0.95
Central government	160	34.6	158	34.2	318	34.4	0.99
Local inhabitants	77	16.7	79	16.1	156	16.9	0.85
Donor organization	12	2.6	2	0.4	14	1.5	0.20
Don't know	62	13.4	61	13.2	123	13.3	0.15

Necessity of public discussions: When asked if public discussions about infrastructure projects are necessary, three quarters of respondents said yes definitely and 20% said yes preferably. Control group respondents are significantly more likely to say that public discussions are necessary than treatment group respondents.

Table 24. Are Public Discussions about Infrastructure Projects Necessary?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	341	73.8	365	79.0	706	76.4
Preferable	93	20.1	83	18.0	176	19.0
No	23	5.0	9	1.9	32	3.5
Don't know	5	1.1	5	1.1	10	1.1

P-value=0.06 (Contingency coefficient)

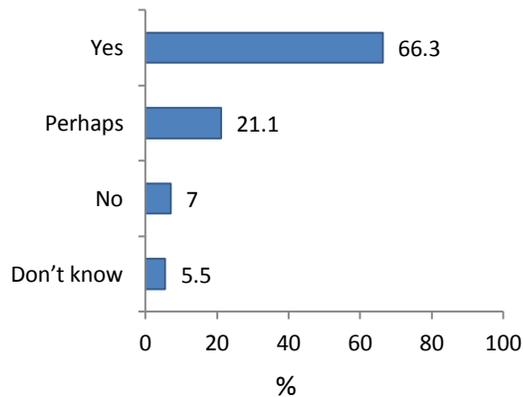
Likelihood of attending future public discussions of community infrastructure projects: As a follow-up to the previous questions, respondents were asked whether they or a household member were likely to attend future public discussions about community infrastructure projects. Two-thirds say that they will definitely attend, one-fifth say that perhaps they will attend, and only 7% say that they will not attend. There is no statistically significant difference between treatment and control group responses.

Table 65. Would Household Member Attend Future Public Discussions about Community Infrastructure Projects?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	293	63.4	320	69.3	613	66.3
Perhaps	101	21.9	94	20.3	195	21.1
No	38	8.2	27	5.8	65	7.0
Don't know	30	6.5	21	5.4	51	5.5

P-value=0.18 (Contingency coefficient)

Figure 28: Would Household Member Attend Future Public Discussions about Community Infrastructure Projects



Awareness of community economic development plans: Respondents were next asked if they were aware whether their community had developed a community economic development plan (EDP), what they knew about the plan, and whether there were public discussions held about the plan. Over 80% of respondents did not know, 5% said yes and 11% said no. These results were consistent across both treatment and control communities.

At the time of the survey, four treatment communities had EDPs and another eight were in the first or second stage of the drafting process. Only 4.5% of respondents from these 12 communities said that they were aware of the EDPs. In the four treatment communities with an EDP, only 6.1% of respondents were aware of the plan. Interestingly, 5.9% of respondents in communities with no EDPs, either finished or in the drafting stage, said that their communities had such a plan. Because survey enumerators were not instructed to explain what an EDP is, it is difficult to say whether these communities actually had an EDP or something like it. Two possible explanations for this result are that they did not understand what an EDP is, or other donors have carried out similar interventions. This issue will be investigated further in the midterm evaluation.

Table 66. Does Community Have an Economic Development Plan?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	24	5.2	26	5.6	50	5.4
No	51	11.2	46	10	97	10.5
Don't know	387	83.8	390	84.4	777	84.1

P-value=0.43 (Contingency coefficient)

In communities with an economic development plan, nearly one-half of respondents say that they know nothing of the plan, 24% are somewhat familiar with it, and 30% are very familiar with the plan. There is no statistically significant difference between treatment and control group responses.

Table 67. Knowledge of Community Economic Development Plan

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Very well	8	33.3	7	26.9	15	30.0
Somewhat	4	16.7	8	30.8	12	24.0
Not at all	12	50.0	11	42.3	23	46.0

P-value=0.11 (Contingency coefficient)

In communities with an economic development plan, over one-half of respondents say that their community held public meetings to discuss the plan, while from 27%-38% say that they do not know and only a handful say that no public meetings were held. There is no statistically significant difference between treatment and control group responses.

Table 68. Were Public Discussions Held about Community Economic Development Plan?

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	13	54.2	15	57.7	28	56
No	2	8.3	4	15.4	6	12
Don't know	9	37.5	7	26.9	16	32

P-value=0.61 (Contingency coefficient)

Attendance of public discussions about community economic development plans: Only 13 respondents in each of the treatment and control communities actually attended public discussions about the

community economic development plan and fewer still in each group were familiar with what was in the plan.

Table 69. Participation in Public Discussions about Community Economic Development Plan

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	13	100	13	86.7	26	92.9
No	0	0.0	2	13.3	2	7.1

P-value=0.14 (Contingency coefficient)

Infrastructure development projects in neighboring communities: The survey asked respondents about their knowledge and perceptions of infrastructure projects implemented in neighboring communities. Only 76 respondents, however, had heard of infrastructure projects in neighboring communities of whom 53 (67.8%) could name at least one community and another 11 respondents (14.5%) could name two communities. No statistically significant differences were found between treatment and control communities.

Table 70. Awareness of Infrastructure Projects in Neighboring Communities

	Treatment (N)	Treatment (%)	Control (N)	Control (%)	Total (N)	Total (%)
Yes	34	7.4	42	9.1	76	8.2
No	428	92.6	420	90.9	848	91.8

P-value=0.34 (Chi-square)

Table 71. Can You Name these Communities?

	Treatment (N)	Treatment (Valid %)	Control (N)	Control (Valid %)	Total (N)	Total (Valid %)
Project 1						
Yes	26	76.5	27	63.9	53	67.8
No	8	23.5	15	36.1	23	34.2
Project 2						
Yes	7	20.6	4	9.5	11	14.5
No	27	79.4	38	90.5	65	85.5

Among the respondents who could identify infrastructure projects in neighboring communities, most think that they were implemented by the local government, while about half of this number either think they were implemented by the central government or do not know who implemented them. Nonetheless, the respondents in both treatment and control groups rate these neighboring infrastructure projects very highly (average of 4.8 on a 5-point scale) in terms of usefulness. There is no statistically significant difference between treatment and control group responses.

Table 72. Who Implemented these Projects?

	Treatment (N)	Control (N)	Total (N)
	Project 1		
Local government	15	24	39
Central government	11	7	18
Local inhabitants	0	0	0
Donor organization	1		1
Don't know	7	11	18
	Project 2		
Local government	1	1	1
Central government	0	1	2
Local inhabitants	2	1	3
Donor organization	0	0	0
Don't know	4	1	5

Table 73. Usefulness of Infrastructure Projects in Neighboring Communities

	Treatment (Mean)	Control (Mean)	Total (Mean)	P-value (T-test)
Project 1	4.9	4.8	4.8	0.289
Project 2	4.8	4.7	4.8	0.708

The survey next asked respondents whether and how the neighboring infrastructure projects have changed their attitudes about local government and citizen engagement using a 3-point scale where 1 means ‘unfavorable change and 3 means ‘favorable.’ In each of the four measures and overall, respondents in both groups said that the neighboring infrastructure projects have had a ‘highly favorable’ impact on their attitudes about local government and civic engagement. This impact was significantly larger among treatment group respondents in terms of citizen participation with local government and other citizens to solve a village problem.

Table 74. Impact of Infrastructure Project on Attitudes toward Local Government and Civic Engagement¹³

	Treatment (Mean)	Control (Mean)	Total (Mean)	P-value (T-test)
Local government	2.5	2.5	2.5	0.69
Contacting local government official to solve a personal or local problem	2.6	2.4	2.7	0.40
Citizen participation with local government to solve a village problem	2.6	2.4	2.5	0.10
Participation with other citizens to solve a village problem	2.7	2.4	2.5	0.08
Overall mean	2.6	2.4	2.6	0.22

Using a similar 3-point scale where 1 means ‘less likely’ and 3 means ‘more likely’ respondents say that these neighboring infrastructure projects make them moderately more likely in the future to contact a local government official and work with other citizens to solve a village problem, but no more or no less likely to work alone to solve a village problem. Overall, respondents are moderately likely to undertake some action—whether with local government officials, citizens, or alone—to solve a village problem. There is no statistically significant difference between treatment and control group responses.

¹³ According to the 3-point scale used here, a score of 1-1.67 means ‘not favorable,’ a score of 1.68-2.34 means ‘neither favorable nor unfavorable,’ and a score of 2.35-3.00 means ‘favorable.’

Table 75. Impact of Infrastructure Project on Likelihood of Participating in Civic Engagement¹⁴

	Treatment (Mean)	Control (Mean)	Total (Mean)	P-value (T-test)
Contacting local government official to solve a personal or local problem	2.7	2.6	2.6	0.97
Work with other citizens to solve a village problem	2.8	2.6	2.7	0.12
Work alone to solve a village problem	2.4	2.0	2.2	0.92
Overall mean	2.6	2.4	2.5	0.57

7. QUALITATIVE FINDINGS

In addition to the household survey, the evaluation team conducted seven key informant interviews (KIIs) with 12 people and three focus group discussions (FGDs) with 42 people in three of the treatment communities. Participants in the KIIs and FGDs included NEO staff, local government officials, and community residents. Because it is too early at this stage to determine any clear impacts of the NEO LED activities, we decided to focus the qualitative research on determining whether the LED activities were being implemented as intended (and following the NEO implementation protocols) and what the different stakeholders' perceptions were of the process. Establishing how the project is being implemented is important in that it allows us in future research rounds to associate observed outcomes and impacts with a specific intervention strategy/process. The mid-term and endline evaluation rounds will implement similar 'process evaluations,' which will allow us to track project implementation over time and determine how this has contributed to observed results.

In this light, we decided to focus the qualitative research in the baseline on three communities that had progressed furthest to date in the LED implementation process: Mchadijvari in Dusheti Municipality, Chkhorja in Zugdidi Municipality, and Pakhulani in Tsalenjikha Municipality (See Table 76 for a summary of qualitative research done during the baseline evaluation round.) With few exceptions, stakeholders' experiences with and perceptions of the LED process were similar across the three communities. Key findings include those described below.

The LED planning process uses a highly participatory approach in which NEO works through local government officials (particularly the Rtsmunebuli) to involve a diverse group of community members in information dissemination, discussion, research, planning, and document preparation. All community members are given the opportunity to participate at some level in the LED process. Representation of sub-groups within the community is generally good. At the very least, there do not appear to be

¹⁴ According to the 3-point scale used here, a score of 1-1.67 means 'less likely,' a score of 1.68-2.34 means 'neither more likely nor less likely,' and a score of 2.35-3.00 means 'more likely.'

structural barriers to participation in any phase of the process based on personal characteristics such as gender, ethnicity, age, etc.

That said, there does exist the potential for structural barriers to participation among residents in more geographically remote communities owing both to the logistical difficulties of travel and the relatively older age of their residents. Another potential cause of structural bias is the economic criteria for project selection. In this latter case, NEO's approach for selecting infrastructure projects prioritizes projects that offer the greatest returns in terms of economic and environmental viability. Residents in lowland communities tend to prefer projects such as irrigation, access to productive inputs, and farming machinery, while residents in mountainous communities tend to prefer projects such as flood gabions, potable water supply, and livestock rearing and production infrastructure, such as slaughterhouses and milk production centers. To the extent the economic calculation tends to favor one type of project over another, this too might tend to favor one type of community over another.

Mchadijvari provides an example of how this structural bias might work. The Mchadijvari community covers 17 villages, many of which are located in areas distant from the Mchadijvari community center where LED planning activities are focused. Although residents in all 17 villages were informed about the project and invited to participate, only residents of 4-5 villages volunteered to participate in the working group. In comparison to Mchadijvari, participation in the LED planning process drew more than 200 residents representing multiple villages in Pakhulani and approximately 100 residents in Chkhorhria, with representation from the surrounding villages being roughly equal.¹⁵

In terms of gender representation, women were active participants and constituted a substantial share of participants in Mchadijvari and Pakhulani but were underrepresented in Chkhorhria. (Informants blamed the underrepresentation of women in Chkhorhria on poor weather conditions. Whether this explanation is credible is not certain).

With a limited budget of \$20,000 per infrastructure project, it is clear that NEO cannot meet the needs of all community members. At the same time, however, it will need to on guard against potential structural biases that have the potential creep into the project selection process. It is important to note that the evidence so far does not suggest that such structural biases have manifest themselves in the treatment communities, but this risk does exist and needs to be monitored to ensure that these or other types of structural biases do not manifest themselves in the future.

Informants uniformly agreed that public meetings were both participatory and productive. No individuals or groups dominated the process, and all were (apparently) free to express opinions, regardless of age, gender, social status, etc. All initial evidence points to the conclusion that NEO has done a highly effective job communicating the importance of making the LED planning process as participatory as possible and that this principle has been adopted in how the process unfolded in the sample communities.

¹⁵ The EDP in Mchadijvari short-listed / highlighted infrastructure rehabilitation needs in 10 of the 17 villages, while the infrastructure project chosen for NEO rehabilitation covers the four villages represented in the working group.

While all community members presumably have the opportunity to participate in working groups, in practice group members are selected largely from the more educated and professional classes. Once formed, each working group in turn forms four focus groups to address priorities in four sectors: agriculture, non-agriculture, infrastructure, and social. While there are no formal criteria for membership in the working groups and focus groups, and community members are free to self-select into different focus groups, in practice the communities try to select group members with experience and knowledge in the relevant sector. The result is that working group and focus group members appear to be largely drawn from the educated, professional classes in the communities. Teachers, for example, appear to be disproportionately represented among working group members, comprising, for example, one-third of working group members in Mchadijvari. Given the tasks assigned to working group and focus group members, this outcome is understandable and perhaps necessary, but it does create the potential for biasing the results of the process toward certain community members.

Fortunately, however, this problem does not appear to have arisen in the three sample communities. In practice, moreover, the participatory nature of the process, which includes a transparent public vote on working group membership, builds in checks against this type of potential bias. Mchadijvari again provides an example of how this might work. In Mchadijvari the working group, which had disproportionate representation of teachers, initially advocated for rehabilitating a playground adjacent to the community school. After further public discussion of the options, however, the working group and community voted to rehabilitate the local irrigation canal. Ultimately, community members made the decision to rehabilitate the irrigation canal, which served a command area of 350 hectares, 550 households, and 1,925 individuals because it offered broader-based economic impacts than did rehabilitating the playground. In fact, creating broader-based economic impacts was the criterion most consistently used by the three sample communities to select infrastructure projects.

For the most part, large private sector firms declined to participate actively in the LED planning process. The relatively remote location of some project communities and the small scale of the infrastructure projects appear to create barriers to large private firm participation in the planning process and in bidding to work on the infrastructure projects.

In contrast, participation by local government officials in the three sample communities has, for the most part, been good, although according to informants this is not the case in all NEO communities. In the three sample communities, however, the Rtsmunebulis played a particularly active role that included community mobilization, hosting meetings, and conducting research together with the focus groups. It is evident that the success of the LED effort in any particular community depends heavily on the active support and participation of the local government officials, including, most importantly, the Rtsmunebuli but also others such as the Deputy Gamebeli, Gamebeli, Sakrebulo Deputy, etc.

Stakeholders expressed uniform satisfaction with all aspects of NEO's implementation of the LED planning process, including the frequency and quality of communication, the quality and usefulness of the training provided by the project staff and the Association of Young Economists of Georgia (AYEG), assistance provided in drafting the EDP, and the infrastructure projects implemented.

NEO is not the only donor project working on local economic development planning in rural Georgia, including both treatment and control communities. Rather it appears to be one of several, the most prominent one being the Village Support Program, which is operating in all three of the sample communities, but which also includes a variety of other international NGOs. The Village Support Program is a Government of Georgia initiative operating in all of the treatment and control communities with the fourfold objective to: (1) find solutions to the primary problems faced by villages, (2) support citizen involvement in self-government, (3) restore and develop the relationship between the population and self-governing bodies, and (4) strengthen the self-governing independence and increase of the powers local government (Gamageoba).¹⁶

NEO staff is aware of the Village Support Program and the other NGOs working in project communities and has made conscious efforts to coordinate with the municipal governments so as to avoid duplicating activities and also, where appropriate, to coordinate activities with these other projects. In Tsalenjikha and Zugdidi, for example, the working groups prioritized efforts to take measures against the White American Butterfly. On learning that the UNDP had previously worked on this issue in the past, NEO has drawn on the research conducted by the UNDP for its own work on the issue.

It is too early to determine whether and to what extent the municipal governments have incorporated the community EDPs into their own municipal development plans, let alone act on them. Informants understand that this result is anything but assured, for a variety of reasons, chief among them being the size and uncertainty of municipal budgets. This outcome, which is an important contributor to the sustainability of the community development process begun under NEO, will bear continued watching and reinforcement when and how appropriate.

Table 76. Summary of Baseline Qualitative Research

Municipality	Sakrebulo	Number of KIIs Conducted	Number of People Interviewed	People Interviewed	Number of FGDs	Number of People Interviewed	Position of Interviewees
Dusheti	Mchadijvari	4	6	-Rtsmunebuli -Sakrebulo Deputy -Deputy Gamagebeli -Head of Municipal Infrastructure Projects -Working group member -NEO Community	1	2	-Village residents Ebnisi

¹⁶ See http://www.mrdi.gov.ge/index.php?option=com_content&view=article&id=5&Itemid=6&lang=en.

				Mobilization Specialist			
Zugdidi	Chkhorია	2	4	-Deputy Gamgebeli -NEO Project Regional Development Advisor -NEO Community Mobilization Specialist -NEO staff engineer	1	20	-Rtsmunebuli -Working group members
Tsalenjikha	Pakhulani	1	2	-Head of Agriculture, Infrastructure, Social and Environmental Protection Commission	1	20	-Rtsmunebuli -Working group members

8. SUMMARY AND CONCLUDING REMARKS

This report has presented the findings of the baseline evaluation round of the NEO local economic development interventions. The purpose of this baseline evaluation was to establish the original conditions of treatment and control communities and households to serve as a basis for comparison in succeeding evaluation rounds planned for 2013 and 2015. As such, this report has not attempted to address the main evaluation questions and research hypotheses posed in the evaluation Scope of Work and described above. Addressing these evaluation questions and research hypotheses will be the primary focus of the mid-term and endline evaluation rounds.

From our survey we learn that the typical respondent in the treatment and control villages is 55 years old, moderately more likely to be female, married, the household head or married to the household head, have completed secondary education, come from a household with 3.7 members and 1.9 income earners, and rely on farming or a pension as his or her primary source of income. Nearly all of the respondent households are local residents (non-IDPs) and ethnic Georgian.

In terms of their financial condition, respondents view themselves as poor and about one-half say that their financial conditions have worsened over the last 12 months. The average daily per capita household expenditures equals GEL 2.78, 65% of which is spent on food. Notwithstanding, around 90% of respondents also say that they expect their financial condition to improve over the coming year.

Despite their poor economic situation, relatively few households have had to adopt serious coping strategies over the last 12 months, such as forgoing consumption of nutritious foods or using savings to pay household expenses, although at the same time, relatively few respondent households were able to set aside savings in the past 12 months.

Nearly two-thirds of respondent households applied for social assistance, although only one-quarter received any. Those who did receive social assistance received on average GEL 780. Another 40% of respondent households participated in a government run insurance plan over the past 12 months. Respondent households overwhelmingly say that social assistance and government run insurance are important or very important to their households.

Respondent households own on average 1.3 hectares of productive land where they cultivate primarily maize, walnuts/nuts, and beans. Livestock ownership is generally low with respondent households owning on average eight chickens, one cow, and one calf.

The majority of respondents are not aware whether any infrastructure project has been implemented in their community. Not surprisingly, even fewer are aware of such projects in neighboring communities. Were infrastructure projects to be implemented, a large majority of respondents say that public discussions are important and that they would attend such discussions. Where respondents are aware of infrastructure projects in their community or in neighboring communities, they overwhelmingly think that these projects are beneficial.

Respondents have very low awareness of whether their community has developed an economic development plan. This includes project communities that have either completed an EDP or are in the process of completing an EDP. Those respondents who are aware of such plans tend to know little to nothing about what is in those plans.

The baseline evaluation reveals much useful information about the attitudes and behaviors of the inhabitants of rural Georgian communities regarding local government and civic engagement. In terms of their attitudes toward local government, respondents are split about 60-40 as to whether local government has an important impact on their lives (60% think it does) but at the same time exhibit a low level of interest in what local government is doing. They are on balance dissatisfied with the services that local government is providing, although they also exhibit considerable confusion as to what precisely those services are.

Among the different local government officials, respondents tend to view the Gamgebeli most favorably. While they are on balance not inclined to approach local government officials to solve local problems, if they did, they would be most likely to approach the Gamgebeli. Notwithstanding the respondents' predominantly neutral to unfavorable views of local government, they also tend to believe that local government lacks power, and they think that its power should be increased.

Finally, respondents are not sure about whether women have equal access as men to local government. While over 40% percent of respondents think that men and women are equally involved in local

decision-making, another one-quarter say that women are less involved, and another one quarter could not assess whether women or men are more actively involved in local decision-making.

In terms of their civic engagement, respondents are overwhelmingly interested in civic affairs, although they are much less likely to engage in them. At the same time, they have generally low awareness of what opportunities exist to participate in civic affairs.

A plurality of respondents thinks that local inhabitants and the local government are jointly responsible for solving community problems, while a significant percentage also thinks that the local government is mostly responsible. Overall, around two-thirds of respondents think that the local government has an important role in solving community problems.

Civic engagement among survey respondents is low. Respondents and their household members have almost never participated in protests or demonstrations, have never written a letter to local government, and have almost never contacted media to raise awareness about their local concerns. Incidence of volunteer work and communication with local government is also low. Community involvement in public meetings with local government and village members, as well as in working with others on identifying and addressing local issues, is relatively higher although still low. For those few respondents who have contacted local government about one thing or another, the large majority came away satisfied with their experience and would do it again should the need arise.

Judging from the results of the LED baseline survey, the treatment and control groups are, with few exceptions, nearly identical in terms of household demographic characteristics and household economic conditions. Thus while the sampling method used does not allow us to control for unobservable characteristics of the two groups, we are confident that we have successfully controlled for major observable characteristics of the two groups, such that what level of selection bias that exists in the sample due to observables has been effectively minimized.

The sampling method was less successful in controlling for potential sources of selection bias caused by unobservable village characteristics. The results above reveal a number of instances in which the two groups diverged in terms of their attitudes towards local government and civic engagement. In particular, respondents from control villages on a number of occasions expressed more favorable attitudes towards local government and civic engagement than did respondents from treatment villages. Interestingly, this finding is contrary than what might ordinarily be expected in that selection bias typically refers to systematic advantages within the treatment sample that make them more amenable to 'success.' The causes of this finding (e.g., whether this is a result of the selection process or other factors) will be investigated further in the midterm LED evaluation.

Having said this, it should also be noted that differences between the treatment and control samples in terms of their attitudes toward local government and civic engagement were much more frequently insignificant than they were significant. Where differences were significant, moreover, the responses uniformly fell into the same response category indicating, for example, 'neither agree nor disagree.'

'neither satisfied nor dissatisfied,' 'very interested,' 'somewhat involved,' 'very little impact,' and so forth.

What is clear from these baseline findings is that there is substantial room for improvement on nearly all indicators related to local government and civic engagement among the survey respondents in both the treatment and control communities. Thus if the NEO LED interventions are successful, we should be able to observe significant changes in these indicators over the life of the project.

In terms of project implementation, we find that the implementation of the LED planning process in the three sample communities has proceeded as planned and that the quality of implementation in all areas has been generally good. The process has been transparent and participatory, communication between NEO and the relevant stakeholders has been consistent and effective, and the results appear to reflect important and generally agreed-on community priorities. That said, there does appear to exist the potential for structural biases to enter into the process caused principally by (1) the distances between project communities and the logistic and other difficulties related to travel and (2) the composition of working groups, which is heavily biased toward the educated and professional classes. While these problems do not appear to have been significant issues in the sample communities, this risk does exist and needs to be managed and monitored to ensure that they do not become significant issues in the future.

9. ANNEXES

9. a) Annex 1: Evaluation Statement of Work

AID-114-C-12-00004

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

TITLE: IMPACT EVALUATION FOR NEW ECONOMIC OPPORTUNITIES (NEO) PROJECT

I. Summary

The NEO project is a four-year, \$20.6-million activity with start and end dates of April 2011-April 2015. NEO's purpose is to improve rural incomes, reduce poverty levels, improve food security, and address critical, small-scale household and agricultural water constraints in targeted communities. Additionally, NEO will enable targeted internally displaced persons (IDP) to sustainably maintain their households and assist communities distressed by natural or other disasters.

NEO supports USAID/Georgia's assistance objective of improved economic competitiveness and welfare and its intermediate results: improved private sector competitiveness, improved economic security of targeted vulnerable populations and sectors, and improved economic infrastructure in strategic sectors.

The impact evaluation will run until 2015 and will assess NEO's impact on rural incomes, household poverty levels; and community-level planning and economic infrastructure development processes in target communities.

II. Background

The NEO contract was awarded to Chemonics International in April 2011. Chemonics is implementing NEO in collaboration with their partners, International Relief and Development (IRD) and the National Opinion Research Center (NORC) at the University of Chicago.

The implementing partner is using a causal pathway methodology as a tool for their strategic approach, which envisions identifying impact statement and then working backward chronologically to define activities that produce the desired impact, NEO being a "development facilitator" in this process.

The impact statement as defined by the implementing partner reads as follows: "Sustainable poverty reduction, improved living standards for vulnerable populations and increased government participation in addressing local community needs."

NEO's activities are organized according to four components, including community-level economic development planning (LED); rural economic development; assistance to strengthen highly vulnerable households and individuals; and promoting the sustainability of IDP houses being rehabilitated with support from the USG. In addition, NEO has built-in small disaster response mechanism.

LED planning and economic strengthening activities represent the core of the program and are designed to complement each other. Within selected municipalities, NEO will apply a three-pronged approach in support of sustainable local economic development:

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1. LED planning processes will serve as an entry point for NEO and help identify economic sectors, prioritize infrastructure and other investments, facilitate public-private dialogue, and leverage additional investments. NEO will accomplish this by mobilizing a network of stakeholders – local government and central government representatives, working groups and informal local leaders, donors, implementers, private sector – and establish coordination mechanisms and targeted LED events to foster dialogue and joint action.
2. NEO's economic strengthening activities are designed to address the needs of vulnerable segments of the population. Working in the value chains identified in the economic development plans, NEO will provide targeted assistance to facilitate vertical and horizontal linkages, increase access to finance and provide market driven training. These activities will be driven by market demands, economic principles and best practices.
3. In addition, NEO will provide micro-grants and technical assistance to highly vulnerable households to strengthen their food security. These activities may fall outside those sectors or value chains identified as "high potential" but may be implemented because of their potential impact on impoverished households. Beneficiaries will be selected based on a set of criteria developed to determine their vulnerability.

IDP housing activities were designed as stand-alone activities, as they might not align geographically with selected municipalities. In cases where there is geographic overlap, beneficiaries of IDP housing activities will be fully integrated into other NEO activities as per established criteria.

NEO's disaster response is not an on-going activity but rather a mechanism that can be triggered by USAID must the need arise.

NEO will provide assistance in 10 municipalities¹ (approximately 85 communities within these municipalities out of 159 in total in select municipalities) over the life of the project selected in coordination with USAID, the U.S. Embassy, and the Government of Georgia (GoG). Work began in three municipalities during the first year and expanded to additional five municipalities since September 2011. Work has commenced in a total of 29 communities and will gradually expand further to 55 communities in all ten target municipalities by the end of FY 2012. The municipalities were chosen based upon the following weighted criteria²:

- High population of disadvantaged (60 percent)
- Concentration of IDPs per municipality (30 percent)
- Proximity to conflict zones and/or impacted by the 2008 conflict (10 percent)

NEO plans to conduct three surveys such as baseline, mid-project and final-project household outcome and citizen satisfaction surveys to collect baseline and later measure the project's results³. The evaluation team will be able to use this data, however will need to collect new/additional data based on the sample to be selected by the evaluator.

1 Defined as group of villages. Selected municipalities include: Oni, Tsageri, Kazbegi, Lentekhi, Kareli, Dusheti, Khashuri, Gori, Tsalenjikha and Zugdidi.

2 Neo Year I Workplan – will be shared with the evaluation team once selected

³ Some Outcome level indicators to be tracked by NEO (final indicators and targets will be shared with the evaluation team):

% increase in average value of targeted household production,

% of targeted vulnerable households and individuals raised to the official subsistence level

% change in average household incomes in targeted communities and sectors

% increase in number of adult individuals that perceive that the local government understands and is responsive to their needs

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III. Purpose of the Impact Evaluation and Its Intended Use

The purpose of this impact evaluation is to assess:

- a. whether NEO's support for community/municipal-level planning process and economic infrastructure development activities increased the voice of communities in municipal decision-making and resulted in economic impact on affected communities;
- b. whether NEO's rural economic development initiatives, including capacity building interventions and value chain assistance, improved rural incomes;
- c. whether assistance to vulnerable households alleviated poverty levels by increasing productivity or creating jobs.

The evaluation team must complete the study in three phases, the first tentatively planned for April/May 2012; second - for December 2013; and third - for May 2015. NEO commenced in April 2011, municipalities were selected, and selection of communities is under way. The proposed date for the first phase of the evaluation (mid-FY 2012) will fit well into the overall schedule of the project with regards to collecting baseline information, identifying sources of secondary data to be used as baseline for select municipalities, and select "treatment" and "control" communities. NEO staff, the external evaluation team, and the USAID mission will work together to coordinate data collection, monitoring and analysis as it overlaps for project monitoring and impact evaluation purposes.

Since part of the NEO funding is coming from the \$1 billion pledge, evaluation results will be used for **accountability** purposes both to the USG and Government of Georgia. In addition, this will be a **learning** experience since lessons learned throughout the evaluation process will contribute to the ongoing life of project implementation of NEO. The final results of the evaluation will help the mission to define future activities and approaches for community economic development planning, poverty alleviation and increase in rural incomes. These results will be shared widely within the E&E region.

IV. Evaluation Questions and Methodology

The Evaluation team must address the following key evaluation questions:

1. How effective and sustainable was the community and municipality economic development planning methodology and approach developed and used by the project? To what extent did the project result in: (a) incorporating community-level economic development priorities into higher-level municipal economic development plans and (b) leveraging GOG and/or other donor funding to finance the implementation of these plans (e.g. construction of economic infrastructure)?
2. What was the economic impact or change of income status of community members in a benefiting community as a result of the small infrastructure projects and in-kind procurements (e.g. farming equipment)?
3. What was the overall impact of NEO's rural economic development component (value chain assistance) on increasing incomes and creating jobs in targeted communities? To what degree did the component increase productivity and/or profitability of targeted farms/businesses?

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4. What was the impact of providing grants vs. other types of assistance as a means of addressing project goals?
5. What was NEO's impact on increasing access to financial services for underserved agricultural and non-agricultural rural producers/processors/service-providers?
6. What was the resulting impact of micro-grants, in-kind support, cash-for-work and capacity-building interventions provided to highly vulnerable households toward sustainably alleviating poverty (e.g., an increase in productivity / the creation of sustainable micro-entrepreneurs, or providing one-time spike in consumption)?
7. Did the project affect men and women in the communities differently? (the evaluator must incorporate into research and provide sex-disaggregated data, where possible, such as women-headed households, etc.)

Contractors must partner with a local organization/s and must suggest the best methods that minimize bias and provide strong evidence. While experimental designs generate the strongest evidence for impact, given the project design, municipality selection process, and timeline, quasi-experimental methods are likely to be more realistic. One possible methodology could be a difference-in-difference methodology in which a number of "treatment" communities from those targeted by the project are compared to non-affected "control" communities. The appropriate number of communities to include in the sample and the method for selecting those communities must be proposed by the evaluation team.

Various data collection and analysis methods, both quantitative and qualitative, must be used, including surveys (to supplement project-collected data where needed to answer impact questions) and secondary data sources (including official country statistical information), interviews, and focus groups (to get qualitative information on community member perceptions around the issues of the study). When possible, NEO-collected baseline data must be used to avoid duplication in data collection.

The contractor must coordinate with the NEO implementing partner with regards to data collection. However, since the evaluation team will be selecting communities for the study, the contractor must collect their own data for their sample, which they must do through their local partner organization to be cost-effective. The prime contractor must take the lead in survey design and data analysis.

Responses to evaluation question #1 may be obtained partly by a review of annual financing trends for project-assisted vs. other communities.

Responses to evaluation question #7 must be obtained using interviews and focus groups.

Data collection and analysis approaches must be further elaborated by the contractor and proposed to USAID based on the methodology for this evaluation. Also, the confidence level, sample size including for surveys, and sampling methodology must be proposed and justified considering number of municipalities and communities targeted by NEO.

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The evaluation contractor must conduct three (three/four-week) visits to Georgia. The team must include local partner organization experts. Below are the evaluation Work Plan activities by Component.

Component I (the first field work (April – May 2012) :

The important task of this component is to develop the detailed evaluation plan for all three visits (components), to make sample of municipalities for research and to set baseline. The evaluation plan will include detailed description of research methodology including its strengths and limitations. The plan will also include an evaluation matrix – each evaluation question with respective methodology to collect information, information source, etc. The evaluation plan and the results of the first visit, including the baseline report will be submitted as parts of the Component I report within 44 days after the completion of the component.

The Contractor will be responsible for the following activities during this component:

1. Create and submit research design and work plan;
2. Select “treatment” and “control” municipalities;
3. Finalize baseline work plan;
4. Set baseline for the study: plan and collect baseline information including baseline survey (coordinate with the project plans);
5. Develop survey questionnaire;
6. Develop interview discussion guides;
7. Train survey enumerators;

8. Conduct pilot test of survey questionnaire;
9. Initiate qualitative field work;
10. Gather, review and analyze secondary data;
11. Analyze survey data;
12. Analyze qualitative data;
13. Set coordination mechanisms with NEO leadership on collecting and sharing project monitoring data.
14. Produce Component I report.

The prime contractor (international organization) will provide two consultants as part of the evaluation team. The consultants will work with local consultants to develop the baseline survey plan, review secondary data as well as develop the evaluation plan for all three components of the evaluation. Part of the work will be conducted in Georgia and part in the US. Namely, finalization of the evaluation plan after baseline survey results become available as well as finalization of the Component report will be done in the US.

Local partner:

Local partner organization will collect baseline data, work with international partner on evaluation design, secondary data gathering as well as working with the NEO project implementer on sharing existing monitoring and baseline data. In between the visits the local partner will be following up as needed on data collection and serving as a resource on the ground for international partner.

1. Carry out baseline survey
2. Submit baseline report
3. Gather secondary data
4. Participate in evaluation design

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5. Follow program evolution
6. Review monitoring data and follow the data collection
7. Coordinate with NEO staff on monitoring data collection between components.

Component II (visit: November-December 2013):

The purpose of the second component will be to review the research plan, make adjustment if needed, collect data and analyze it to draw the preliminary conclusions on project progress and results. After the component the contractor will submit a revised evaluation plan and a report within 44 days after the completion of the component.

The Contractor will be responsible for the following activities during this component:

1. Revise and finalize midline research design to reflect changes I project strategy, activities, locations, etc. and other factors;
2. Finalize midline work plan;
3. Gather, review and analyze secondary data (including project monitoring data);

4. Revise survey questionnaire;
5. Revise interview discussion guides;
6. Train survey enumerators;
7. Conduct follow-up data collection and qualitative field work;
8. Submit Component II report (including preliminary conclusions).

Component III (Third and final visit, - March 2015):

The purpose of the third component will be to conduct the last part of the study to make conclusions on the project impact with regards to the evaluation questions listed under chapter IV of the current document.

The Contractor will be responsible for the following activities during this component:

1. Revise and finalize end line research design to reflect changes I project strategy, activities, locations, etc. and other factors;
2. Finalize midline work plan;
3. Gather, review and analyze secondary data (including project monitoring data);
4. Collect final survey data
5. Conduct end line qualitative research;
6. Analyze survey and qualitative data;
7. Submit draft evaluation report (including conclusions on the impact of the NEO project on the key evaluation questions);
8. Finalize the report based on stakeholder review comments.

The evaluation contractor will submit the draft report within forty-four days after the completion of the third and final component, and will finalize the report based on the feedback within 5 days after providing the comments.

Close collaboration with USAID and NEO implementer is expected during all visits.

END OF SECTION C

9. b) Annex 2: Statement of Difference

This report confirms that there has not been significant unresolved difference of opinion by funders, implementers, and/or members of the evaluation team.

9. c) Annex 3: Household Survey Questionnaire

LED Baseline Household Survey

FIRST, MAKE SURE YOU HAVE THE RIGHT RESPONDENT. THE ENUMERATOR MUST INTERVIEW THE head of household or spouse.

Introduction: “My name is..... We’re interviewing people here in [name of village] in order to get information about their village. The information obtained will be used to assess rural Georgians’ attitudes toward local government. **All answers will be seen only by the research team and will be kept fully confidential.**

Always **politely ask the interviewee for permission** to interview him/her. Only after they have consented to be interviewed should you begin to ask questions.

Questionnaire Identification Number |_|_|_|_|_|_|_|_|_|_|

Team Code |_|_|_|

Municipality

Gori	1
Kareli	2
Khashuri	3
Dusheti	4
Kazbegi	5
Zugudi	6
Tsalenjikha	7
Oni	8
Tsageri	9
Lentekhi	10

Name of Settlement (INDICATE NAME AND CODE)

Settlement Name _____ Code

Respondent’s status:

Local	1
IDP/ Refugee	2

Household Code |_|_|_|_|_|_|_|_|_|_|

Respondent Code |_|_|_|_|_|_|_|_|_|_|

Treatment or Control Village |_|_|_|_|

Treatment	1
Control	2

IMPORTANT DETAILS

<i>Interviewer’s name</i>	
<i>Interviewer’s ID number</i>	
<i>Respondent’s name</i>	
<i>Contact address</i>	
<i>Respondent’s telephone number</i>	

No.	H1. Name	H2. Age	H3. Gender	H4. Relation to Head of Household	H5. Marital Status	H6. Ethnicity	H7. Brings Income	H8. Source of Income	H9. Most Important Sources of Household	H10. Highest Level of Education Completed
1										
2										NA
3										NA
4										NA
5										NA
6										NA
7										NA
8										NA
9										NA
10										NA

		Completed years	1-Male 2-Female	1-Head of household 2-Spouse 3-Son/Daughter 4-Mother/Father 5-Son-in-law, brother-in-law, daughter-in-law, sister-in-law 6-Grandson/Grand daughter 7-Relative 8-Other 9-No answer	1- Single (never married) 2- Married 3- Divorced/separated 4- Widow	1- Georgian 2- Armenian 3-Russian 4-Azeri 5-Greek 6-Kurdish 7- Ossetian 8- Abkhazian 9-Other	1- Yes 2- No	1-Self employed in farming--livestock and agriculture 2-Self employed in own business or professional activity unrelated to farming 3-Intermittently employed or works from time to time 4-Permanently employed—state or public sector 5-Permanently employed-private sector 6-Unemployed—seeking employment in the last month 7-Unemployed—not seeking employment in past month 8—Pensioner 9—Student 10-Unfit or of limited fitness for work 11-Other Note: If household member has more than one source of income, list the most important source for that person.	1-Most important 2- Second most important 3-Third most important	1 - Illiterate 2 - Elementary (1-4 classes) 3 - Incomplete Secondary (1-9 classes) 4 - Complete Secondary (general) 5 - Complete Secondary (specialized) 6 - Incomplete higher 7 - Higher (Institute, University) 8 - Degree/ Post-graduated (Candidate, MA, PhD)
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2. Household Economic Conditions

E1. How would you assess the financial conditions of your HH regarding income?

	SINGLE ANSWER
Good –we can freely spend money	5
Medium–we can easily meet our daily financial needs	4
Satisfactory –we can somewhat meet our daily requirements	3
Bad –income (harvested goods) are only enough for consuming as food	2
Very bad – we can't even ensure minimum food for consumption	1

E2. According to your property status (residence, land, housing, and etc.) to which category among those listed below does your household belong?

	SINGLE ANSWER
Rich	5
Wealthy	4
Middle class	3
Poor	2
Very poor (miserable)	1

E3. Do you own the following durable goods in working condition?

Durable Good	a) Own		b) Number	c) Purchased or Gifted		
	Yes	No		Purchased	Gifted	Both
1. Color TV set	1	2		1	2	3
2. Refrigerator	1	2		1	2	3
3. Automatic washing machine	1	2		1	2	3
4. Car	1	2		1	2	3
5. DVD player	1	2		1	2	3
6. Personal computer, including laptop	1	2		1	2	3
7. Air conditioner	1	2		1	2	3
8. Vacuum cleaner	1	2		1	2	3
9. Satellite dish	1	2		1	2	3
10. Independent heating system	1	2		1	2	3

E4. In the past 12 months, has your household . . .? HOUSEHOLD EXPENSES ARE THE DAY-TO-DAY NEEDS OF THE HOUSEHOLD, INCLUDING FOOD, HOUSING, HEATING, COOKING FUEL, CLOTHING, SCHOOLING, MEDICAL CARE, ETC.

	Yes	No
1. Saved money	1	2
2. Just got by	1	2
3. Spent savings to pay household expenses	1	2
4. Borrowed money to pay household expenses	1	2
5. Sold off household assets to pay household expenses (TV set, DVD player, furniture, clothes, jewelry, etc.)	1	2
6. Sold off productive assets to pay household expenses (livestock, farming implements, equipment, machinery, etc.)	1	2

E5. According to your assessment, how has the financial condition of your household changed in the last 12 months?

	SINGLE ANSWER
Significantly worsened	1
Slightly worsened	2
Remained the same	3
Slightly improved	4
Significantly improved	5

E6. According to your assessment, how will the financial condition of your household change over the next 12 months?

	SINGLE ANSWER
Will significantly worsen	1
Will slightly worsen	2
Will remain the same	3
Will slightly improve	4
Will significantly improve	5

E7. Over the past year, how often, if ever, has your household had to limit the consumption of the following due to financial difficulties?

	Never	Just Once or Twice	Several Times	Many Times	Always
1. Bread, khomi, pasta	5	4	3	2	1
2. Butter, milk, cheese	5	4	3	2	1
3. Oil	5	4	3	2	1
4. Meat, chicken, or fish	5	4	3	2	1
5. Fruits, vegetables	5	4	3	2	1
6. Potatoes	5	4	3	2	1
7. Fuel for cooking	5	4	3	2	1
8. Electricity or fuel for heating	5	4	3	2	1
9. Medicines or medical treatment	5	4	3	2	1

E8. Has your household applied for governmental social assistance in the last 12 months?

Yes	1	SKIP QUESTION E9
No	2	CONTINUE

E9. If you haven't applied, what was the reason for not applying for governmental social assistance?

	SINGLE ANSWER
Because I don't think that I'm poor	1
Maybe I'm in shortage, but others experience more severe shortages	2
I didn't have hope of receiving social assistance	3
I don't trust this system	4
Other (describe)	5

E10. Was your household granted with social assistance by the government during the last 12 months?

Yes – during the whole year	1	CONTINIUE
Yes – during some period of the year	2	
No	3	SKIP QUESTIONS E11 AND E12

E11. If yes, what amount in GEL did your household receive from social benefits over the last 12 months? (RECORD THE AMOUNT IN GEL)

Write in _____ GEL

E12. In your opinion, how important is social assistance by the government for you?

	SINGLE ANSWER
Very important	4
Important	3
Unimportant	2
Very unimportant	1

E13. Was your HH or any HH member included in the government-run healthcare insurance program in the last 12 months?

Yes	1	CONTINIUE
No	2	SKIP QUESTION E14

E14. In your opinion how important is it for you to participate in the government-run healthcare insurance program?

	SINGLE ANSWER
Very important	4
Important	3
Unimportant	2
Very unimportant	1

NOW, I WOULD LIKE TO KNOW MORE ABOUT THE CONSUMPTION OF THE WHOLE HOUSEHOLD FOR DIFFERENT ITEMS. PLEASE GIVE THE ESTIMATED AMOUNTS FOR THE CONSUMPTION FOR THE ENTIRE HOUSEHOLD.

E15. Food, Beverage, and Tobacco

Over the past **7 days** approximately how much have you spent for each of the following items?

	Purchased (GEL)	Home Produced (GEL)	Reserves (GEL)	Received as Gift (GEL)
1. Food (meat, vegetables, fruits, dairy, grains, starches, etc.)				
2. Non-alcoholic beverages (mineral water, juice, soda, tea, coffee, etc.)				
3. Alcoholic beverages and tobacco				
4. Salt, sugar, honey, sauces, condiments				

E16. Non-Durable Goods and Frequently Purchased Services

Over the **past 30 days**, approximately, how much have you spent for each of the following items?

	Purchased (GEL)	Received as Gift, Including vouchers (GEL)
1. Fuel and electricity for the household		
2. Transport and communication (tires, tubes, taxi/bus fares, benzene and diesel fuel)		
3. Communication (mobile phone, mobile phone credit, internet service)		
4. Cleaning and personal hygiene (washing powder, soap, shampoo, detergents, etc.)		
5. Restaurants and hotels		
6. Culture and recreation		
7. Savings		
1. Loans to family, friends, others		
8. Transfer to family, friends, others		

E17. Semi-Durable Goods and Durable Goods and Services

Over the past 12 months, approximately, how much have you spent for each of the following items?

	Purchased (GEL)	Received as Gift (GEL)
2. Clothing and Footwear		
3. Household goods (furniture, radio, bicycle, phone, refrigerator, washing machine, air conditioner, satellite dish, other appliances)		
4. Education		
5. Health and medical care (e.g., doctors, medicines, hospital/clinic charges)		
6. Residential property, including home improvements (Does not include property purchased for production purposes or purchased solely as investment)		

E18. What is your housing status?

	SINGLE ANSWER
Own	1
Rent	2
Mortgaged	3
Provided for free occupancy	4

E19. What is the total area of your apartment/house in square meters?

E20. How many rooms are in your residence (*excluding cousin , corridor, bathroom, toilet, loggia, and other storages*)

E20.1. In total _____

E20.2. Bedrooms _____

E21. Is your apartment/house provided with the following items?

	Yes	No
Hot water - central	1	2
Hot water - individual system	1	2
Electricity	1	2
Gas supply - central	1	2
Liquid gas supply - gas balloons	1	2
Heating - individual	1	2
Telephone	1	2
Internet	1	2
Wireless Phone	1	2

E22. How many land plots do/did you use for cultivation (including leased land)?

	#1	#2	#3	#4	#5	#6	#7	#8
E23. How many hectares in size is each plot of land?								
E24. What is the primary crop on this plot of land?								

DEFINITION OF PRIMARY CROP - Hectares--the number of hectares devoted to the crop

Codes of crops

1	Wheat
2	Maize
3	Cucumber
4	Tomato
5	Beetroot
6	Carrot
7	Potato
8	Cabbage
9	Eggplant
10	Onion
11	Garlic
12	Pkhaleuli, haricot, bean,
13	Watermelon, melon, pumpkin
14	Herbs, radish, pepper
15	Livestock food crops (soy, barley, oat)

16	Livestock rough food (hay, straw, stubble)
17	Beans
18	Pitted fruit (cherry, plum, peach, wild plum....)
19	An apple
20	A pear
21	Other fruits that produce seeds (quince, medlar)
22	Citrus (lemon, tangerine, orange)
23	Subtropical fruits (persimmon, pomegranate, fig)
24	Grapes
25	Berries (strawberry, raspberry, currant, blackberry, goosebe)
26	Walnut, nut, almond
27	Tea (raw)
28	Sunflower
29	Tobacco (dried)
30	Flowers (piece)
31	Forest fruits (chestnut) mushroom
32	Young plants of grapevine, citrus and fruits (piece)
33	Vegetable seedlings (piece)
34	Laurel

E25. Do you own the following livestock?

Durable Good	a) Own		b) Number
	Yes	No	
1. Cows	1	2	
2. Bulls	1	2	
3. Calves	1	2	
4. Sheep	1	2	
5. Goats	1	2	
6. Pigs	1	2	
7. Poultry	1	2	
8. Donkeys	1	2	
9. Horses	1	2	
10. Rabbits	1	2	
11. Beehives	1	2	

3. Perceptions of Local Government

In the rest of the survey, we will ask you about your attitudes about local government. Local government includes the following persons and positions: local Sakrebulo council member, Sakrebulo Chairman, Trustee (Rtsmunebuli), and Gangebeli.

P1. Who do you think is *primarily* responsible for the following village concerns?

	Write code
1. Providing residents access to clean drinking water	
2. Collecting and disposing of solid waste (garbage)	
3. Maintaining local roads (for example, roads to farm plots)	
4. Providing preschool (kindergarten)	
5. Creating and maintaining green areas (parks, playgrounds, public areas)	
6. Illumination of streets/ roads	
7. Offering cultural activities	
8. Maintaining cemeteries	
9. Promoting economic growth (farming, business opportunities, jobs, etc.)	

1. Village residents
2. Local Sakrebulo council member
3. Sakrebulo Chairman
4. Trustee (Rtsmunebuli)
5. Gangebeli
6. Regional Governor
7. Central Government
8. Donor organizations, NGOs
9. Utility companies

P2. How much impact do you think your local government has on your daily life?

	SINGLE ANSWER
A lot	4
Some	3
Very little	2
None	1

P3. How much interest do you have in what is going on with your local government?

	SINGLE ANSWER
A lot	4
Some	3
Very little	2
None	1

P4. These are some things that other people have said about their local government. To what extent do you agree or disagree with them? ONE ANSWER ON EACH ROW

MY LOCAL GOVERNMENT...	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A, Don't Know, No Answer
1. Is making my village a better place to live	5	4	3	2	1	
2. Is efficient and well run	5	4	3	2	1	
3. Spends its money wisely	5	4	3	2	1	
4. Is good at solving problems that affect my village	5	4	3	2	1	
5. Is honest and trustworthy	5	4	3	2	1	
6. Provides opportunities for residents to participate in decision making	5	4	3	2	1	
7. Communicates to residents what it is doing	5	4	3	2	1	
8. Listens to the concerns of residents	5	4	3	2	1	
9. Acts on the concerns of local residents	5	4	3	2	1	
10. Treats all types of people fairly and does not favor certain people or one group over another	5	4	3	2	1	
11. Places the needs of the local community over their personal interests	5	4	3	2	1	
12. Places the needs of the local community over the interests of their political party	5	4	3	2	1	

P5. To what extent are you satisfied with the following local services in your village? ONE ANSWER ON EACH ROW

	Very Satisfied	Satisfied	Neither Satisfied nor Unsatisfied	Unsatisfied	Very Dissatisfied	N/A, Don't Know, Refuse to Answer
1. Providing residents access to clean drinking water	5	4	3	2	1	
2. Providing residents access to irrigated water for farming	5	4	3	2	1	
3. Collecting and disposing of solid waste (garbage)	5	4	3	2	1	
4. Maintaining local roads (for example, roads to farm plots)	5	4	3	2	1	
5. Providing preschool (kindergarten)	5	4	3	2	1	
6. Creating and maintaining green areas (parks, playgrounds, public areas)	5	4	3	2	1	
7. Illumination of streets/ roads	5	4	3	2	1	
8. Offering cultural activities	5	4	3	2	1	
9. Maintaining cemeteries	5	4	3	2	1	

P6. How much do you feel the local government is currently involved in each of the following? ONE ANSWER ON EACH ROW

	Very Involved	Somewhat Involved	Not Very Involved	Not Involved At All	N/A, Don't Know, Refuse to Answer
1. Providing residents access to clean drinking water	4	3	2	1	
2. Collecting and disposing of solid waste (garbage)	4	3	2	1	
3. Maintaining local roads (for example, roads to farm plots)	4	3	2	1	
4. Providing preschool (kindergarten)	4	3	2	1	
5. Creating and maintaining green areas (parks, playgrounds, public areas)	4	3	2	1	
6. Illumination of streets/ roads	4	3	2	1	
7. Offering cultural activities	4	3	2	1	
8. Maintaining cemeteries	4	3	2	1	

P7. If you have problems with any of the previous local services, to who would you turn first? To whom would you turn to second? Don't read list

	a) First	b) Second
Local Sakrebulo council member	1	1
Trustee (Rtsmunebuli)	2	2
Gamgebeli	3	3
Sakrebulo Council Chairman	4	4
Regional Governor	5	5
Relatives/neighbors	6	6
Media	7	7
Someone else	8	8
I would fix it myself	9	
I would not do anything about it	10	

P8. Do women have more, less, or equal access and influence as men to decisions taken by local authorities?

	SINGLE ANSWER
More	1
Less	2
Equal	3

P9. With which statement among those listed below do you most agree?

	SINGLE ANSWER
Local government has a lot of authority and it is necessary to reduce it	1
Local government has a lot of authority and it is desirable to reduce is	2
Local government has sufficient authority and there is no need to change it	3
Local government has little authority and it is desirable to increase it	4
Local government has insignificant authority and it is necessary to increase it	5

P10. With which statement among those listed below do you most agree?

	SINGLE ANSWER
Local government works very effectively	5
Local government works somewhat effectively	4
Local government works very ineffectively	2
Local government doesn't work at all	1

P11. Taking everything into account, how satisfied are you with the following:

	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied	Don't know, N/A
1. Local Sacrebulo council member	5	4	3	2	1	
2. Sacrebulo Chairman	5	4	3	2	1	
3. Trustee (Rtsmunebuli)	5	4	3	2	1	
4. Gamgebeli	5	4	3	2	1	
5. Local government in general	5	4	3	2	1	

4. Civic Engagement

C1. How interested would you say you are in the affairs of your village?

	SINGLE ANSWER
Very interested	4
Somewhat interested	3
Not very interested	2
Not at all interested	1

C2. How would you describe your level of involvement in the affairs of your village?

	SINGLE ANSWER
Very involved	4
Somewhat involved	3
Not very involved	2
Not at all involved	1

C3. Do you know . . . ? ONE ANSWER ON EACH ROW

	Know Well	Know Somewhat	Don't Know Well	Don't Know at All
1. How you can get involved in local decision making and solving village problems	4	3	2	1
2. How to contact a local government official	4	3	2	1
3. What services the local government is providing	4	3	2	1
4. What quality of service you should expect from the local government	4	3	2	1
5. Where to get information on what the local government is doing	4	3	2	1
6. Whether the local government is delivering on its promises	4	3	2	1

C4. Please indicate your level of agreement with each of the following statements. ONE ANSWER ON EACH ROW

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. I am aware of opportunities to participate in solving village problems	5	4	3	2	1
2. I am satisfied with opportunities to participate in solving village problems	5	4	3	2	1
3. I can make a difference in my community by working with other people to solve village problems,	5	4	3	2	1
4. In the future, I will become more involved in working with other people to solve village problems	5	4	3	2	1

C5. Please tell us the degree to which you agree with the following statements. ONE ANSWER ON EACH ROW

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. Community members as a whole are responsible for solving community problems	5	4	3	2	1
2. Community members who can afford to pay or who benefit the most are responsible for solving community problems	5	4	3	2	1
3. Community members and the local government are jointly responsible for solving community problems	5	4	3	2	1
4. The local government is responsible for solving community problems	5	4	3	2	1
5. The central government is responsible for solving community problems	5	4	3	2	1
6. Donor organizations are responsible for solving community problems	5	4	3	2	1

C6. Here is a list of actions that people sometimes take as citizens. For each of these, please tell me how often you or someone else in your household has done any of these things during the past 12 months. ONE ANSWER ON EACH ROW

	Several Times	A Few Times	Once	Never
1. Attended a public meeting with a local government official (excluding election campaigns/ activities/ events)	4	3	2	1
2. Attended a public meeting of village members	4	3	2	1
3. Got together with others to raise an issue or address a problem	4	3	2	1
4. Performed volunteer work	4	3	2	1
5. Attended a demonstration or protest	4	3	2	1
6. Contacted the media to raise awareness about a problem (call newspaper, a radio show, TV show, etc.)	4	3	2	1
7. Wrote a letter to a local government official	4	3	2	1
8. Contacted a local government official in person	4	3	2	1

C7. If you or another household member contacted a local government representative in person in the past 12 months, please tell us which ones you contacted and the reason for contacting them?

	a) Contact		b) Reason			
	Yes	No	Improve Local Services	Get Information	Ask for Support	Others
1. Local Sakrebulo council member	1	2	1	2	3	
2. Trustee (Rtsmunebuli)	1	2	1	2	3	
3. Gamagebeli	1	2	1	2	3	
4. Sakrebulo Council Chairman	1	2	1	2	3	
Other (specify)	1	2	1	2	3	

IF IN C7a) CONTACT IS "NO" IN ALL CASES ABOVE, PLEASE SKIP QUESTIONS C8 AND C9

C8. What is your level of satisfaction with the contacts you or other household members have had with local government representatives in the past 12 months? ONE ANSWER ON EACH ROW

	Very Satisfied	Satisfied	Neither Satisfied Nor Unsatisfied	Unsatisfied	Very Unsatisfied
1. Local Sakrebulo council member	5	4	3	2	1
2. Trustee (Rtsmunebuli)	5	4	3	2	1
3. Gamagebeli	5	4	3	2	1
4. Sakrebulo Council Chairman	5	4	3	2	1
5. Other (specify)	5	4	3	2	1

C9. As a result of this experience with the local government representatives, are you more likely, less likely, or equally likely to contact a local government representative in the future?

	SINGLE ANSWER
More likely	3
Equally likely	2
Less likely	1

5. Infrastructure and Involvement

I1. Was any infrastructure rehabilitation project implemented in your community in the past 12 months? For example, construction or rehabilitation of: schools, roads, water pipes, gas pipe network, electricity supply system, local roads, irrigation system, river- banks, or tourism infrastructure.

	SINGLE ANSWER	
Yes	1	CONTINUE
No	2	SKIP QUESTIONS I2, I3 AND I4
Don't know	3	

I2. Please tell us about these projects

	a) Project (use codes)	b) Who implemented the project?	c) Were any public discussions held about the project?		d) Did you or another household member attend the public discussions?			e) Is the project completed?		
			Yes	No	Yes	No	Don't Know	Yes	No	Don't Know
Project 1			1	2	1	2	99	1	2	99
Project 2			1	2	1	2	99	1	2	99
Project 3			1	2	1	2	99	1	2	99

a) Construction or rehabilitation of .	Codes
Schools	1
Roads	2
Water pipes	3
Gas pipe network	4
Electricity supply system	5
Local roads	6
Irrigation system	7
River- banks	8
Tourism infrastructure	9
Other (specify)	

b) Who implemented the project?	Codes
Local government	1
Central government	2
Local inhabitants	3
Donor organization /NGO	4
Other (describe)	
Don't know	99

13. Was/ is the infrastructure project beneficial to your community?

	Project 1	Project 2	Project 3	
Yes, it is still beneficial	1	1	1	Skip question I4
It was beneficial but is not beneficial any more	2	2	2	Continue
No, has never been beneficial	3	3	3	
Don't Know	99	99	99	Skip question I4

14. Why do you think the infrastructure project was/ is not beneficial to your community? (SINGLE ANSWER ON EACH ROW)

	Project 1	Project 2	Project 3
Lack of funding for maintenance of project	1	1	1
No longer needed	2	2	2
Lack of knowledge of post-project management skills	3	3	3
External factors (such as government shut the project down)	4	4	4
Lack of interest on part of community	5	5	5
Other (SPECIFY) _____			

15. Generally, who decides whether there is a need for an infrastructure rehabilitation project in your community?

	ALL THAT APPLY
Local government	1
Central government	2
Local inhabitants	3
Donor organization	4
Other (describe)	
Don't know	99

16. Generally, who decides which specific infrastructure projects should be implemented in your community?

	ALL THAT APPLY
Local government	1
Central government	2
Local inhabitants	3
Donor organization	4
Other (describe)	
Don't know	99

17. Do you think that public discussions related to infrastructure project implementations should be held?

	SINGLE ANSWER
Yes, it is necessary	1
Yes, it is preferable to be held	2
No, I don't consider it to be necessary	3

18. If such discussions were held in the future, how likely would it be that your household participates?

	SINGLE ANSWER
Yes, would definitely participate	1
Perhaps would participate	2
Would not participate	3
Don't know	99

19. Does your community have an Economic Development Plan?

	SINGLE ANSWER	
Yes	1	CONTINUE
No	2	SKIP QUESTIONS
Don't know	3	I10-I12

I10. Were any public discussions held concerning the creation of the Economic Development Plan in your community?

	SINGLE ANSWER	
Yes	1	CONTINUE
No	2	SKIP QUESTION I11
Don't know	3	

I11. If it was held, did at least one of your household members participate in this discussion?

	SINGLE ANSWER
Yes	1
No	2
Don't know	3

I12. How well do you know what is in your community's Economic Development Plan?

	SINGLE ANSWER
Very well	1
Somewhat	2
Not at all	3

I13. Are you aware of any infrastructure development projects or other community-wide economic development activities in neighboring communities?

	SINGLE ANSWER	
Yes	1	CONTINUE
No	2	END SURVEY
Don't know	3	

I14. Can you name this community?

	a) Where the project was implemented (Village)	b) Municipality (write code)	c) Sakrebulo (write code)	c) Village (write code)
Project 1				
Project 2				

I15. Can you tell me who implemented this project?

	Project 1	Project 2
	ALL THAT APPLY	ALL THAT APPLY
Local government	1	1
Central government	2	2
Local inhabitants	3	3
Donor organization/NGO	4	4
Other (describe)		
Don't know	99	99

I16. What is your impression of this infrastructure development project or community-wide economic development activity?

	Very Favorable	Favorable	No Opinion	Favorable	Very Favorable	Don't know, N/A
Project 1	5	4	3	2	1	
Project 2	5	4	3	2	1	

I17. How has this infrastructure development project or community-wide economic development activity affected your views of the following?

	Unfavorable Change	No Change	Favorable Change	Don't know, N/A
1. Local government	3	2	1	
2. Contacting a local government official to solve a personal or village problem				
3. Citizen participation with local government to solve a village problem	3	2	1	
4. Participation with other citizens to solve a village problem	3	2	1	

118. How has this infrastructure development project or community-wide economic development activity affected the likelihood that you . . . ?

	Less Likely	No Change	More Likely	Don't know, N/A
1. Contact a local government official to solve a personal or village problem	3	2	1	
2. Work with other citizens to solve a village problem	3	2	1	
3. Work on your own to solve a village problem	3	2	1	

LED Focus Group and Key Informant Interview Guides

The below interview guides are developed to guide individual interview questions and focus groups, to be conducted throughout the course of the NEO Evaluation activity. The questions below are in reference to the Local Economic Development planning activities (Component 1 of NEO), and do not include individual interview questions related to the economic strengthening activities of the project (Components 2 and 3 of NEO).

Informant Typology: Community-level Process Participant

Definition of Informant: Person that has been engaged in the NEO process at the community-level, including but not limited to:

- Member of NEO-established Working Group or Focus Group from the community
- Member of local government that has been active in the NEO planning and/or project process
- Local business person that has been active in the NEO planning and/or project process

Framing questions

1. What has been your role in relation to the NEO project, and in the community or local government more generally?

Overall changes / externalities:

1. Have there been any big changes or events in this community since NEO started work in the community? (e.g. big donor projects, drought, natural disaster, big government / private investment, factory closure, etc.)
2. Do you feel that the economic situation in your community has significantly improved or gotten worse since _____,¹⁷ and why?
3. What has been the overall experience with the NEO project; what activities have been carried-out, and how has it impacted on your activities / work?

In regards to community participation and awareness:

1. What was the experience and process of developing the Community Economic Development Plan?
2. Have you participated in a community planning meeting? How have you learned about a community planning meeting?
3. Where was it held? Who has communicated and organized a community planning meeting?
4. What percentage of community residents have participated in a community planning meeting?
5. How well your community was represented at the community planning meeting (women, lower income residents, different ethnicities, etc.)?
6. Has a certain group dominated a community planning meeting?
7. Who has facilitated a community meeting?
8. Have you been adequately explained about the purpose and expectations of the meeting? Can you provide briefly what information you were communicated?
9. How would you compare your expectation with actual outcome?
10. If you have received handouts during the meeting, how useful were they? Why or why not?
11. What were the topics discussed at the community planning meeting?

¹⁷ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

12. Have you had an equal opportunity to express yourself on top priorities related to economic development?
13. What is your opinion about working group composition – how well a working group composition represents a community? What is the proportion of women and men?
14. What was the procedure governing working group member election? Was it justified/reasonable, fair and democratic?
15. Were there any declared criteria underlying working group member nomination and election? What were they?
16. Have you been elected as a working group member? Why or why not?
17. Around which sectors were working groups established?
18. Can you list the main priorities / directions of the Community Economic Development Plan?
19. How priorities identified by a working group compare with economic priorities identified by you?
20. What was the time period between community planning meeting and the first working group meeting?
21. How many working group meetings were held? What was the objective of the meetings? Do you think planning and meetings were conducted in an efficient way (time-wise, topics covered, etc.)?
22. Have working group members signed the letters of commitment that included clearly defined their roles and responsibilities?
23. How were working group activities organized? Who conveyed working group meetings? Who decided on the agenda and who decided on the need to have a working group meeting? Who has led working group meetings? What was the venue of meetings? Has a working group adopted and followed time delimited activity plan with assigned tasks to implement its responsibilities?
24. What do you think, how well working group identified priorities reflect community needs?
25. How would you describe the process of nomination and selection of focus group members? Was it through voting?
26. Are you a member of a focus group? Why or why not?
27. How many focus groups were created?
28. How well focus group composition represents a community and what is the proportion of men and women?
29. How focus group activities/meetings were organized? Who conveyed focus group meetings? Who decided on the agenda and who decided on the need to have a focus group meeting? Who has led focus group meetings? What was the venue of meetings? Has a focus group followed time delimited activity plan with assigned tasks to implement its responsibilities?
30. How efficient were focus group meetings (time-wise, topics discussed, etc.)?
31. Where there any adopted approaches followed by focus groups to collect relevant data?
32. Were there any procedures or has collected data by working groups been checked for accuracy?
33. Who has consolidated community development plan? Are you happy with that? Why or why not?
34. Where and how community development plan was presented to community members?
35. Have you accepted comments/suggestions and revised community development plan accordingly after meeting with community members? please, provide examples
36. What was the role of local government in elaboration of community development plan?
37. Who has provided a technical input (s) in community development plan?
38. Have you been provided with capacity building technical assistance during the process?
39. In how many training events have you participated and what were the topics?

40. How specific capacity improvement needs were identified? Was it based on gap analysis, etc.?
41. How useful were provided trainings? Why, why not? Do you have a suggestion about alternative approach? Why, why not?
42. Have you presented community development plan to decision makers in your municipality?
43. Who made presentation and what was the process?
44. Who from municipal decision makers participated in discussions?
45. Were decision makers at the municipality happy with presented plan? Why, why not?
46. Have you received comments/suggestions form decision makers at the municipality and have you reflected them in your community development plan?
47. Has your community development plan been incorporated into municipal development plan?
48. Does your community have time-delimitated budget plan for implementation of community development plan? What is the period covered? What is the fund distribution (breakdown) by sources?
49. Do you have a formal process/protocol to update a community development plan? Please, describe
50. What percentage of community members would benefit after implementation of working group identified priorities?
51. In general, how would you describe the process/approach to enhance community participation in local economic development? Is it the way it should be done or what alternative approach would you suggest? Why, why not?
52. How dependable and dedicated to solving community problems are the local Trustee (Rtsmunebuli) and Sakrebulo council member?
53. Has community awareness and participation in decision-making increased or decreased since NEO started work in the community?
54. Do you know of any Municipal Development Plan that is in-force, and the priorities that it includes?
55. Are there any concrete examples of your Community Economic Development Plan being integrated into or supported by the Municipal Economic Development Plan?
56. Do you feel that the community has taken and increased or decreased role in municipal affairs?

In regards to infrastructure projects and leverage:

1. What infrastructure or other projects have been implemented in the community since NEO started working in the community, and whom were they funded by (NEO, self-funded, other donors, state budget)?
2. What was the process of identifying and prioritizing projects?
3. Are you aware about procedures/approach/framework governing selection of infrastructure rehabilitation project? Was it participatory?
4. Who has implemented the project? Why? How?
5. How would you describe the quality of carried work? Please, explain
6. Are you aware whether implemented project (s) have a community member support?
7. Are you aware of any arrangements to maintain, repair and ensure proper functioning/operation of rehabilitated infrastructure?
8. What effect did this project(s) have upon the community (community and HH level)?
9. What infrastructure projects have been implemented from other donors / resources? Were they related in any way to the Community Economic Development Plan or NEO project?
10. Have you heard of the Village Support Program? Was this linked in any way to the Community Economic Development Plan or NEO project?

In regards to LED planning process:

1. In your opinion, are Community Economic Development Plans useful for communities, and why?
2. Is the Community Economic Development Plan an active document that the Municipality and others use, or is it something more narrowly associated with the NEO project?
3. Can you think of any examples of municipal government utilizing / incorporating the Community Economic Development Plan? Please elaborate.

Informant Typology: Community level non-process participant

Definition of Informant: Community members that may or may not have had some exposure to the NEO project, but has not participated directly in any processes such as LED planning or project development. Note that this can include community members that have attended meetings.

Framing question:

1. Are you aware of the NEO/USAID project, or have you participated in it in any way?

Overall changes / externalities:

1. Have there been any big changes or events in this community since NEO/USAID began working here? (e.g. big donor projects, drought, natural disaster, big government / private investment, factory closure, etc.)
2. Do you feel that the economic situation in your community has significantly improved or gotten worse since _____,¹⁸ and why?

In regards to community participation and awareness:

1. Has community awareness and participation in decision-making increased or decreased in the past 18 months?
2. Do you know of any community-level Economic Development Plan that is in-force, and the priorities that it includes?
3. Do you know of any Municipal Economic Development Plan that is in-force, and the priorities that it includes?
4. Have you ever heard of the NEO/USAID project?
5. Do you feel that your community has taken an increased or decreased role in municipal affairs?
6. How dependable and dedicated to solving community problems are the local Trustee (Rtsunabuli) and Sakrebulo council member?
7. Have you participated in a community planning meeting? If not, what was the reason of not participation and what percent of community residents did not participate in a community planning meeting and what was the reason of not participation in their?
8. How have you learned about upcoming community planning meeting? Where was it held? Who has communicated and organized a community planning meeting?
9. What percentage of community residents have participated in a community planning meeting?
10. How well your community was represented at the community planning meeting (women, lower income residents, different ethnicities, etc.)?
11. Has a certain group dominated a community planning meeting?
12. Who has facilitated a community planning meeting?
13. Have you been adequately explained about the purpose and a follow-up of a meeting? Can you provide briefly what information you were communicated?
14. How would you compare your expectation with actual outcome?
15. If you have received handouts during the meeting, how useful were they? Why or why not?
16. What were the topics discussed at the community planning meeting?
17. Have you had an adequate opportunity to express yourself on top priorities related to economic development?

¹⁸ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

18. What was the outcome of a community planning meeting?
19. What is your opinion about working group composition – how well a working group composition represents a community?
20. What was the procedure governing working group member election? Was it reasonable/justified, fair and democratic?
21. Were there any declared criteria underlying working group member nomination and election? Please, list
22. Are you aware about the content of community development plan and identified priorities? How have you learned?
23. What is your opinion about priorities included in community development plan? Do they reflect your community needs? Do you like them? Why or why not?
24. How do they compare with economic development priorities identified by you?
25. What percentage of community members would benefit after implementation of working group identified priorities?

In regards to infrastructure projects and leverage:

1. Do you know if any infrastructure projects that were done in this community since _____?¹⁹ If so, by who were they completed and what were they?
2. Are you aware about procedures/approach/framework governing selection of infrastructure rehabilitation project? Was it participatory?
3. Who has implemented a project? Why? How?
4. How would you describe the quality of carried works? Please, explain
5. Do you support implemented project (s)?
6. Are you aware of any arrangements to maintain, repair and ensure proper functioning/operation of rehabilitated infrastructure?
7. What effect did this project(s) have upon the community (community and HH level)?
8. What infrastructure projects have been implemented from other donors / resources? Were they related in any way to the Community Economic Development Plan or NEO project?
9. Have you heard of the Village Support Program? Was this linked in any way to the Community Economic Development Plan or NEO project?

In regards to LED planning process:

1. To the best of your knowledge/experience, in general, how would you describe the process? Is it the way it should be done or what alternative approach would you suggest? Why or why not?

¹⁹ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

Informant Typology: Local, Regional or National Government Representative

Definition of Informant: Government representatives at the municipal, regional or national levels. It is likely that these government officials have not directly participated in NEO, but will have some awareness of the project and may be quite involved in Municipal Economic Development Plans. This may include but not limited to:

- Gangebelli
- Municipal Council Chairperson or other municipal council member
- Employee of the municipality
- Member of Municipality economic development or other committee
- Regional Governor or other regional government employee / representative
- National government employee, such as MRDI

Framing questions:

1. What is / was your position or role in the government?
2. To what extent have you been aware of, or directly collaborated with the NEO project?

Overall changes / externalities:

1. Have there been any major changes in this municipality or region since _____²⁰ that may have affected the NEO project?
2. Have there been any major private or public investments or disinvestments in this municipality or region since _____²¹ that has significantly impacted socio-economic conditions?

In regards to perceptions and engagement with NEO:

1. What has been your overall experience with the NEO project; what activities have been carried-out, and how has it impacted on the municipality / region?
2. How often, on average, did you interact with NEO project staff, community Working Group members, etc.; what was the main form of this interaction?
3. What was the objective of interaction?
4. Have you been updated on a regular basis on the progress in elaboration of community development plans?
5. Have you supported NEO project in community awareness rising and mobilization?
6. What has been your experience in supporting NEO project in community mobilization? Was it challenging? Please, explain
7. Have any capacity building activities been undertaken by the NEO project for your municipality?
8. What capacity building assistance have you received from NEO?
9. Who were targets of capacity building activities?
10. What was the basis for provision of a capacity building technical assistance? Was it a gap analysis, etc.?
11. How useful do you think was provided capacity building assistance? Why or why not? Any suggestions for future?
12. Have you participated in presentation of community development plans?

²⁰ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

²¹ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

13. What is your opinion about the plans? What were the strong and weak sides of the plan? Have you had suggestions/comments and were they reflected in community development plan?
14. In general, how would you describe the process/approach to enhance community participation in local economic development? Is it the way it should be done or what alternative approach would you suggest? Why or why not?

In regards to collaboration on planning and investment:

1. Do you believe that you have a high or low level of public awareness of Community Economic Development Plans?
2. What, if any, specific measures have been taken in this municipality to ensure that the priorities / needs of communities are met?
3. Have NEO project activities made your life easier, or more difficult? Why?
4. To what extent are municipalities incorporating NEO-supported Community Economic Development Plans into Municipal Economic Development Plans? Please, provide examples
5. To what extent are regions incorporating Municipal Development Plans into their own plans / planning activities? Please provide examples.
6. How representative were of their communities community planning meetings and composition of working groups and focus groups including women, lower income, ethnicity, etc.?
7. How working group identified priorities compare with community needs?
8. What are the main limitations at present on community and municipal planning?
9. How can communities, municipalities and regions work together to better plan and invest in the future?
10. Has there been any collaboration with the private sector on any projects or investments?

In regards to infrastructure projects:

1. Are you aware of infrastructure projects implemented in communities supported by NEO?
2. What is your opinion of the NEO infrastructure project development process?
3. Were NEO infrastructure projects able to leverage resources (cost sharing, etc.) from your municipality / region and collaborate directly?
4. What has been the best thing about these projects?
5. How would you recommend doing these projects better in the future?
6. Has there been any good collaboration on either the municipal or village level with the Village Program? Examples, please

Informant Typology: Local Business Leader

Definition of Informant: Representatives of businesses that are active in municipalities targeted by the NEO project and have had some engagement with NEO-facilitated economic development planning activities or infrastructure projects.

Framing questions:

1. What is the nature of your investment in this community / municipality?
2. Have you collaborated with the local government, NEO or other donor-supported project since _____.²² If so, how?

Overall changes / externalities:

1. Has your investment significantly increased or decreased in this community / municipality since _____ ?²³
2. Have there been any major changes in the business / economic environment in this community / municipality since _____ ?²⁴

In regards to awareness / participation in LED planning processes:

1. Are you aware of any Community or Municipal Economic Development Plan currently in-place, or developed previously?
2. Have you participated in any economic development planning activities / exercises? If so, which?
3. How representative were of their communities community planning meetings and composition of working groups and focus groups including women, lower income, ethnicity, etc.?
4. How working group identified priorities compare with community needs?
5. In your opinion, who is responsible for leading economic development planning and engaging local businesses such as yours?
6. Who is your main advocate in local government, and what is your form of collaboration?
7. Are you aware of any Economic Development Committee in the municipal sacrebulo? How active are they?

In regards to investment:

1. Have you made any investments or public-private partnerships on the basis of planning / coordination with government, communities or economic development plans? Please elaborate.
2. What measures has the local, regional or national government taken to make your day-to-day business easier or more difficult?
3. In your view, is it easier or more difficult to do business in Georgia's regions now than it was three years ago? Why?
4. Have any infrastructure upgrades in the local community / municipality had a direct impact on your business? If so, how?

²² Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

²³ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

²⁴ Project start date in this specific community; information about project start date will be obtained from the NEO community mobilization specialist

Informant Typology: NEO Staff Member

Definition of Informant: Includes and staff member of the NEO project, most likely including community mobilizers, project engineers, senior leadership or technical staff. Informants should be knowledgeable regarding the LED component of the project.

Framing questions:

1. What is your position and responsibilities on the NEO project?

Overall changes / externalities:

1. Have there been any major changes in project strategy or implementation of the LED component of NEO relevant to this evaluation?
2. Have there been any major changes in the overall economic or governance environment in geographies targeted by the NEO project?

In regards to project progress:

1. In your view, what are the greatest successes of NEO's LED component to date?
2. What have been the greatest challenges to NEO's LED component to date?
3. If you could do anything differently, what would it be?
4. Have targeted municipalities effectively linked with the national government's "Village Program"?

In regards to LED planning:

1. Please describe the overall process that the NEO project has taken in communities?
2. How community planning meeting was organized
3. How information concerning the community planning meeting was communicated to community members
4. Where local government representatives supportive in organization of the meeting
5. Where community planning meetings were held?
6. How well your community was represented at the community planning meeting (women, lower income residents, different ethnicities, etc.)?
7. Has a certain group dominated a community planning meeting? How have you addressed this challenge?
8. Who has facilitated a community meeting?
9. What explanatory information have you communicated to community members about the meeting and follow up activities?
10. Have community members discerned an interest to get involved?
11. Have you provided community members with handouts? What was the content, and how useful they were perceived by participants?
12. Has every participant had an equal opportunity to express himself/herself on top priorities related to economic development? How well a working group composition represents a community? What is the proportion of women and men?
13. What was the procedure governing working group member election? Was it justified/reasonable, fair and democratic?
14. Have participants used any criteria when nominating and electing a working group member? What were they?
15. Around which sectors were working groups established?

16. How working group identified priorities compare with opinions reflected by different participants about local economic development priorities during the community planning meeting?
17. How soon was the first working group organized after a community planning meeting?
18. What was the time period between community planning meeting and the first working group meeting?
19. How many working group meetings were held? What was the objective of the meetings? Do you think planning and meetings were conducted in an efficient way (time-wise, topics covered, etc.)?
20. Have working group members signed the letters of commitment that included clearly defined their roles and responsibilities?
21. How were working group activities organized? Who conveyed working group meetings? Who decided on the agenda and who decided on the need to have a working group meeting? Who has led working group meetings? What was the venue of meetings? Has a working group adopted and followed time delimited activity plan with assigned tasks to implement its responsibilities?
22. What do you think, how well working group identified priorities reflect community needs?
23. How would you describe the process of nomination and selection of focus group members? Was it through voting?
24. How many focus groups were created?
25. How well focus group composition represents a community and what is the proportion of men and women?
26. How focus group activities/meeting were organized? Who conveyed focus group meetings? Who decided on the agenda and who decided on the need to have a focus group meeting? Who has led focus group meetings? What was the venue of meetings? Has a focus group followed time delimited activity plan with assigned tasks to implement its responsibilities?
27. How efficient were focus group meetings (time-wise, topics discussed, etc.)?
28. Where there any adopted approaches followed by focus groups to collect relevant data?
29. Were there any procedures or has collected data by working groups been checked for accuracy?
30. Who has consolidated community development plan? Are you happy with that? Why or why not?
31. Where and how community development plan was presented to community members?
32. Has a working group accepted comments/suggestions and revised community development plan accordingly after meeting with community members? please, provide examples
33. What was the role of local government in elaboration of community development plan?
34. Who has provided a technical input (s) in community development plan?
35. Were members of working group/focus group provided with capacity building technical assistance during the process?
36. On average in how many training sessions one member has participated?
37. How specific capacity improvement needs were identified? Was it based on gap analysis, etc.?
38. How useful was capacity building assistance? Why, why not? Where there suggestions about alternative approaches? Why or why not?
39. Has a working group presented community development plan to decision makers in a municipality?
40. Have the municipalities embraced or ignored Community Economic Development plans?
41. Who made presentation and what was the process?
42. Who from municipal decision makers participated in discussions?
43. Were decision makers at the municipality happy with presented plan? Why or why not?

44. Has a working group received comments/suggestions from decision makers at the municipality and have you reflected them in your community development plan?
45. Has a community development plan been incorporated into municipal development plan?
46. Does a community have time-delimited budget plan for implementation of community development plan? What is the period covered? What is the fund distribution (breakdown) in terms of source?
47. What has been the process/protocol for updating of an adopted community development plan?
48. What percentage of Working Groups are continuing to work, and regularly updating Community Economic Development plans?
49. What percentage of community members would benefit after implementation of working group identified priorities?
50. In general how would you describe the process/approach to enhance community participation in local economic development? Is it the way it should be done or what alternative approach would you suggest? Why, why not?
51. What are the key factors of success in LED planning?
52. How has the project managed to get municipal and regional government authorities interested in community economic development planning?
53. To what extent has the LED component been successful in advancing the priorities of communities at the municipal level? What are some strategies that have been used to achieve this?
54. Are there certain policy changes that need to be made to ensure sustainable planning processes at the community and municipal levels?
55. What are the most popular priorities of Community Economic Development plans?

In regards to infrastructure projects:

1. What have been the most and least successful infrastructure projects, and why?
2. How infrastructure rehabilitation project (s) was selected? Was it participatory?
3. What strategies have been utilized by NEO to ensure buy-in from local communities, businesses, and government in the infrastructure projects?
4. Who has implemented a project? How? Why?
5. Is a project maintained and repaired to ensure its proper functioning/operation?
6. What effect did this project(s) have upon the community (community and HH level)?
7. Do Community Economic Development plans continue to be utilized after the infrastructure project? If so, how?
8. Approximately what percentage of infrastructure projects have directly related to plans / strategies at the municipal level?

9. d) Annex 4: Sources

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9. e) Annex 5: Conflict of Interest Forms for Team Members

Each of the evaluation team members signed a conflict of interest form. These forms, however, exist only in PDF format and thus are not included in this document. They are being provided to USAID separately.

9. f) Annex 6: Evaluation Design

9. f i) Sampling Plan

The NEO local economic development interventions target the entire project community. Thus the target population for the LED intervention is the entire population of residents within the project communities. The 85 communities selected by NEO to receive LED support under Component 1 have a combined population of 340,211. This constitutes the relevant population for calculating the sample size.

Ideally we would use simple random sampling to create our sample of treatment and control households. Simple random sampling is when every eligible household in the population has the same chance of being selected. This requires in turn a list of all eligible households in the target population. In some situations, however, no such listing of households exists and/or the cost of doing a simple random sample makes it infeasible. Both of these are true in the case of the NEO impact evaluation. While village-level household lists produced by the Georgian Social Service Agency (SSA) and National Census do exist, local experts advise that these lists are unreliable and could significantly increase the cost and time required to sample within the villages. At the same time, budget limitations make a simple random sample covering all 85 project communities infeasible.

In lieu of a simple random sample, we use a multi-stage cluster sampling design. In a case such as this where constructing a complete list of population members (sampling frame) is both difficult and cost-prohibitive and where population boundaries are well defined, cluster sampling offers a relatively feasible and inexpensive sampling method. With clustering, fewer communities covering a smaller geographic area are required to make the sample thus improving the cost-effectiveness of administering the surveys. On the downside, cluster sampling may not reflect the full diversity of the target population, and it provides less information per observation and higher standard errors than a simple random sample. It thus requires a larger sample size, all else equal, to achieve the same level of precision as a simple random sample.

If we assume the common scientific standards of a 95% confidence level and a 5% confidence interval, the treatment sample size for a simple random sample of LED beneficiaries using the equation shown below is 384 households. To this number we would need to add 384 or so households in the treatment communities for a total simple random sample of 768 for Component 1.

$$n_{srs} = \frac{1.96^2 \hat{p}_{srs} \hat{q}_{srs}}{d^2}$$

where

n_{srs} = sample size for simple random sample

\hat{p}_{srs} = the estimated proportion

$\hat{q}_{srs} = 1 - \hat{p}_{srs}$

d = desired absolute precision (confidence interval)

As mentioned above, however, sample size requirements for a cluster sample will tend to be larger than for a simple random sample. This is mainly because respondents in the same cluster are likely to be somewhat similar to one another. As a result, in a clustered sample, selecting an additional member from the same cluster adds less new information than would a completely independent selection. Thus, in a multi-stage cluster sample, the sample is not as varied as it would be in a random sample, so that the effective sample size is reduced.

The loss of effectiveness using cluster sampling instead of simple random sampling, is the ‘design effect.’ The design effect is the ratio of the actual variance under the cluster sampling method to the variance computed under the assumption of simple random sampling. The equation for calculating the sample size taking into account the design effect of cluster sampling is shown below:

$$n_{pps} = deff \times \frac{N \hat{p}_{srs} \hat{q}_{srs}}{\frac{d^2}{t_{1-\alpha/2, m-1}^2} (N-1) + \hat{p}_{srs} \hat{q}_{srs}} = deff \times n_{srs}$$

where

n_{pps} = sample size for cluster sample

n_{srs} = sample size for simple random sample

N = population size

\hat{p}_{srs} = the estimated proportion

$\hat{q}_{srs} = 1 - \hat{p}_{srs}$

d = desired absolute precision (confidence interval)

$t_{1-\alpha/2, m-1}$ = t-value for the number of clusters – 1

As can be seen in the above equation, the sample size for a cluster sample is equal to the sample size for the simple random sample multiplied by the design effect. In most circumstances, the design effect will be greater than 1, indicating that the variance estimated accounting for cluster sampling is larger than the variance assuming simple random sampling. To calculate the design effect, we need the variance from a simple random sample of target beneficiaries to compare to our variance for the cluster sample. Unfortunately, we do not have this value. NEO did do a monitoring survey of households in its target municipalities that included each of its critical impact variables, but this survey also used a multi-stage cluster sampling design.

In lieu of an actual value for the design effect, we can assume different design effects and see what the sample size requirements are. For well-designed studies, the design effect usually ranges from 1-3. It is easy to see, however, that as the design effect increases from 1 to 2 and to 3 (in effect doubling and tripling the sample size), the sample size requirements quickly begin to exceed the numbers that are feasible given the budget allocated for this evaluation.

An alternative to increasing the sample size is to accept a lower level of precision (or confidence interval). Lowering the desired precision from $\pm 5\%$ to $\pm 7.1\%$ --while assuming a design effect of 2, a confidence level of 95% and an estimated proportion of 50%--yields a required sample size of 381, three less than the sample size required for a simple random sample. Under the same set of assumptions, lowering the desired precision from $\pm 5\%$ to $\pm 8.7\%$ also yields a sample size of 381. If we accept that the design effect is somewhere between 1-3, this means that our actual level of precision for a treatment sample size of 384 is somewhere between $\pm 5\%$ and $\pm 8.7\%$, assuming a 95% confidence level and an estimated proportion of 50%.

Given that increasing the treatment and total sample size much above 384 and 768, respectively, for Component 1 is infeasible in light of budget constraints, we can do some additional calculations to determine the likelihood that a sample of this size can still yield useful findings. Fortunately, as part of its performance monitoring system, NEO implemented a baseline monitoring survey that tracks many of the same variables included in the impact evaluation. We can use this monitoring data to calculate the "power" and the "minimum detectable effect" (MDE) of our sample. Statistical power measures the probability that if the hypothesized effect occurs in key impact variables, our sample will find it. The minimum detectable effect is the smallest effect that, if true, has an X% change of producing an impact estimate of key impact variables that is statistically significant at the Y level.

To calculate the statistical power for our LED sample, we used the power calculator developed by DSS Research.²⁵ Here we will test the power of our sample to measure change in the key impact variable for NEO Component 1. The key impact variables analyzed and the hypothesized effect size are as follows:

- 20% increase in adult perception in local government's ability to provide responsive services

Our power calculation finds that if the adult perception of local government's ability to provide responsive services increases by 20% on average (from 2.59 to 2.9), our sample will find this effect with a near 100% probability.

To calculate the minimum detectable effect for the adult perception of local government, we used the method suggested by Bloom (1995), which takes the multiple of the standard error that corresponds to the statistical power, statistical significance, and two-sided hypothesis test to be used for the impact analysis. The equation to calculate the standard error is shown below. The information to calculate the formula is again taken from the NEO monitoring survey data.

²⁵<http://www.dssresearch.com/KnowledgeCenter/toolkitcalculators/statisticalpowercalculators.aspx>

$$\sigma_c = \sqrt{\frac{\sigma^2(1-R^2)}{T(1-T)n}}$$

Where

σ_c = The standard error of the impact estimator

σ = The standard deviation of the continuous outcome, equal to 1.232

T=the proportion of the study sample to the treatment group, equal to 0.5

n= sample size, equal to 384

R^2 = the explanatory power of the impact regression, equal to 0.8.

The above equation yields a standard error equal to .056. Next we multiply this value by 2.8, which is the relevant multiple assuming statistical power of 80%,²⁶ a statistical significance of .05, and a two-tailed hypothesis test. This yields a minimum detectable effect of 6.1%. This value is significantly smaller than the 20% increase targeted by NEO for this particular impact variable indicating a high probability that we will be able to measure whether NEO achieves its targets with relation to this impact variable. We thus conclude after this analysis that a treatment sample size of 384 households (and total sample size of 768 households) provides a level of precision that is both acceptable for our purposes and produces the best level of precision achievable given existing budget constraints.

To this number, however, we need to add additional households in both the treatment and control communities to account for expected 'panel attrition.' Experience with panel surveys shows that a certain percentage of panel participants can be expected to drop out of the survey between survey rounds. Reasons for this panel attrition include, for example, death, illness, migration, unavailability, or refusal to answer.

We take two approaches to account for panel attrition. First, we increase the treatment and control sample size to account for the rate of expected panel attrition. To determine the expected rate of panel attrition, we consulted a number of other survey organizations that have carried out panel survey research in Georgia. According to the Institute of Social Studies (ISS), for example, the expected rate of panel attrition is in the range of 14-17%. The Georgian Centre of Population Research (GCPR) carried out a panel survey in Georgia covering the entire country with three years between survey rounds and had a panel attrition rate of 17%. At the same time, however, the Head of the GCPR estimates the attrition rate to be potentially higher in the high mountainous regions due to the advanced age of many of its residents. In light of this information, we have elected to assume a 20% attrition rate in our sample. While this figure exceeds the 17% rate suggested by the ISS and GCPR, we see it as a prudent approach that will help ensure that we have sufficient observations in the sample at the endline.

²⁶ This is the target statistical power, not necessarily the actual statistical power.

Incorporating our expected panel attrition rate into the sample size calculations increases the sample size in the treatment and control communities for Component 1 from 384 to 462 each resulting in a total sample size of 934.

Second, we will compare survey results of those who dropped out of the sample to those who remain so as to determine whether dropouts differ in any systematic way from the other respondents and whether dropout patterns differed systematically between the treatment and control groups. Where differences occur, we will attempt to explain why they occurred and then to account for these factors in our analysis.

9. f) ii) Selecting Treatment and Control Villages

In our cluster sampling method, the is the primary sampling unit, the villages within the selected comprise the secondary sampling unit, and the households within the selected villages constitute the ultimate sampling unit. To determine the treatment sample size within each of the 10 project municipalities, we allocated the target treatment group sample size of 492 across the 10 project municipalities using a probability proportional to size approach. In this case, we allocated the treatment sample across the 10 project municipalities in proportion to the number of Sakrebulos in each municipality relative to the total number of Sakrebulos across the 10 municipalities. Owing to the large differences in population across the 10 project municipalities (ranging from 2,038 to 112,061), we believe that it is more reasonable to allocate the sample in proportion to the number of Sakrebulos in each municipality rather than in proportion to the population of each municipality.

Second, to determine the number of Sakrebulos within each municipality to be sampled, we divided the sample size allocated to each municipality by 20, which is the approximate number of households to be sampled in each selected community, and round up to the nearest whole number. The decision to sample approximately 20 households in each represents a pragmatic compromise between the need to minimize the cost and logistical requirements of the survey and the need to maximize the representativeness of the sample. We next rounded up to the nearest whole number to ensure that each municipality includes at least one Sakrebulo in the sample.

Having determined the number of treatment Sakrebulos in each municipality, we next randomly selected that number of Sakrebulos in municipality to serve as the treatment communities for the evaluation. Finally, we next randomly selected one village in each of the treatment Sakrebulos where the survey was to take place.

After selecting the treatment Sakrebulos and villages, we next selected an equal number of control Sakrebulos in each municipality from among the communities the where the project does not plan to work. The exception to this rule was Kashuri where the number of non-project communities is less than the number of project communities. In this case, we included all non-project communities in the control sample. To select the control villages within these communities, the evaluation team worked closely with NEO staff to identify a sampling frame of potential control villages and then to match them to the treatment villages using the following matching criteria: population (we used the 2002 Georgian

population census), geographic location, agricultural production patterns, humanitarian/development agency activities (e.g., presence of donor initiatives within the villages), proximity to main highways and administrative borders, and the share of vulnerable and IDP households, as determined by the SSA. The village matching criteria were selected after a series of discussions between the evaluation and NEO management teams for their perceived importance relative to other observable village characteristics, their use by NEO in selecting the project communities, and the availability of relevant secondary data and/or in-depth project knowledge. Having identified the matching criteria, the evaluation team next engaged in a lengthy, detailed, participatory, and iterative series of discussions with the NEO management team to apply the matching criteria and make the final selection of treatment and control villages.

While our sampling plan called for us to select a single control village from each Sakrebulo, in some cases it was necessary to select two small villages instead of one because we could not find other appropriate matches. This was the case in Boshuri (Biisi and Bobnevi), Tsagvli (Kvemo Brolosani & Zemo Brolosani), Bebnisi (Aphnisi & Leteti), Mchadijvari (Ebnisi & Kvitkiristskaro), and Gremiskhevi (Kedeloba & Petriani). Another exception to this sampling approach was the village of Abisi, which, although located in Kareli, we selected as a match for the village Patara Phlevi in the Khashuri. Similarly, we selected Nakuraleshi and Tskhukureshi in Tsageri municipality as a match for the village of Rtskmeluri in Lentekhi municipality. Information to match the treatment and control villages came from four sources: (1) maps of Georgia, (2) expert knowledge, (3) information about agricultural production patterns taken from NEO project files, and (4) SSA household data.

9. f) iii) Selecting Respondent Households

Within the treatment and control villages, we sample households using the random walk method. A random walk approach to sampling is appropriate where no reliable list of households exists for the village. In this method, the enumerator walks through the village and interviews households at random using the following randomization protocols. In each sample village, the field supervisor assigns each survey enumerator a starting point and a walking direction in the village. The starting point can be school building or other easily identified point. Enumerators are instructed to sample the closest household to this starting point and then move to the each Nth household in a randomly selected direction. The size of the sampling interval will differ in each village depending on the village size. To determine the sampling interval, the number of households in the village is divided by the desired sample size for that village and adjusted for the expected non-response rate.