

FINAL REPORT

AN ASSESSMENT OF THE GEORGIA COMMUNITY MOBILIZATION INITIATIVE (GCMI)

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LIST OF ACRONYMS

ACP	Action Planning Meeting
BP	British Petroleum
BTC Co	Baku Tbilisi-Ceyhan Pipeline Operating Company
CARE	Cooperative for Assistance and Relief Everywhere
CAT	Community Action Team
CBED	Community-Based Economic Development
CBO	Community-Based Organization
CDA	Community Development Associations
CDF	Community Development Fund
CHCA	Charity Humanitarian Center "Abkhazeti"
CIP	Community Investment Program
CIG	Community Initiative Group
CM	Community Mobilization
CMM	Community Mobilization Manager
CMO	Community Mobilization Officers
CoP	Chief of Party
CRM	Community Resource Mobilization
DFID	Department for International Development
DG	Democracy and Governance Office (USAID/Georgia)
E&E	Europe and Eurasia Bureau (USAID)
EBRD	European Bank for Reconstruction and Development
EE	Energy and Environment Office (USAID/Georgia)
EU	European Union
FY	Fiscal Year
GAI	Georgia Assistance Initiative
GCMi	Georgia Community Mobilization Initiative
GDA	Global Development Account
GEGI	Georgia Enterprise Growth Initiative
GEL	Georgian Lari
GM	Grants Manager
GO	Grant Officer
GSIF	Georgia Social Investment Fund
GWHAP	Georgia Winter Heating Assistance Program
HSD	Health and Social Development Office
IDP	Internally Displaced People
IFC	International Finance Corporation
IFRC	International Federation of the Red Cross
IMC	International Medical Corps
IR	Intermediate Result
M&E	Monitoring and Evaluation
MOLHS	Ministry of Labor, Health and Social Protection
MPs	Micro-Projects
NGO	Non-Governmental Organization
NIS	Newly Independent States
PAC	Pipeline Affected Community

PCIP	Project Community Investment Plan
PMP	Performance Monitoring Plan
R4	Results Review, Resource Request
RFA	Request for Applications
RFP	Request for Proposals
SAVE	Support Added-Value Enterprises
SME	Small and Medium-Scale Enterprise
SO	Strategic Objective
SPs	Small Projects
SPAC	Social Policy and Advocacy Center
SPIG	Social Policy Initiative Group
SPWC	Social Policy Working Group
USAID	United States Agency for International Development
UNDP	United Nations Development Program
VCA	Vulnerability Capacity Assessment
WB	World Bank
WFP	World Food Program
WHO	World Health Organization

EXECUTIVE SUMMARY

I. INTRODUCTION AND BACKGROUND

The USAID/Caucasus Mission started the Georgia Community Mobilization Initiative (GCMi) program in the fall of 2000. The program is being implemented in terms of two projects under USAID Cooperative Agreements with CARE International in western Georgia and Mercy Corps (MC) in eastern Georgia. As indicated in Section III of the Main Report, the two projects have slight differences in their approaches to developing and implementing community development initiatives. The CARE project involves the establishment of Community Based Organization (CBOs); the Mercy Corps project involves the establishment of Community Initiative Groups (CIGs). Both CARE and Mercy Corps are halfway through the implementation phases of their community mobilization efforts under the GCMi program, which is scheduled to be completed in September 2004.

The USAID Mission is in the process of crafting a new assistance strategy for its aid program in Georgia for the period, FY 2004 -2008, and deemed it appropriate at this stage to conduct an independent assessment of the two GCMi projects to capture lessons learned, and to make mid-course corrections if necessary. The assessment is also expected to help the Mission in determining whether the projects should be extended beyond September 2004.

II. USAID'S FOCUS ON COMMUNITY MOBILIZATION INITIATIVES

The USAID Mission's strategy to reduce human suffering in Georgia is focused in large part on community mobilization activities. Establishing CBOs and CIGs provides an institutional base from which USAID can launch and sustain other interventions and initiatives at the grass roots level

It is anticipated that empowering the members of community based organizations through direct interaction and management skills training, and through their participation in capacity-building activities, will enable them to sustain ongoing humanitarian programs aimed at meeting the basic needs of vulnerable groups for food, shelter and healthcare, while at the same time guiding the members of the overall community along a path leading to longer-term development.

The target set as to the number of communities that are to be mobilized by the end date of the West-GCMi project being managed by CARE (September, 2004) is 300. The number of communities that have been mobilized to date is 251. The target for the number of micro-projects that are to be completed by the end date of the GCMi program is 550. The number completed to non-governmental organizations (NGOs) date (estimated to be completed by September, 2003) is 305. The number of grants issued to non-governmental organizations (NGOs) to date through the West-GCMi project is 31.

The target set as to the number of Community Initiative Groups (CIGs) to be organized by Mercy Corps to assess local needs by the end date of the East-GCMi project (September 2004) is 148. The number of CIGs that have been organized to date is 193. The target set for the number of projects that are to be completed by the end date of the program is 575. The number

completed to date is 339. . In addition, in terms of progress to date, Mercy Corps has noted that a total of 511 Grants have been awarded to date (179 to NGOs, 332 to CIGs) of which around 150 are ongoing.

III. THE TEAM'S FINDINGS

As it is currently being managed, the GCMi program represents an exemplary example of development assistance that is being successfully targeted and that is reaching, as intended, the poorest of the poor and the most vulnerable communities in a developing country. The results achieved to date were well worth the resources invested. Job creation and the identification of legitimate income generation opportunities appear to be the two greatest needs of "grass roots" level beneficiaries that the program has not met. It should be noted, however, that these were not a priority focus of the GCMi program but are legitimate follow-on priorities.

The GCMi program is well integrated in the Mission's current assistance strategy, but it will need to undergo a transition as the Mission's new emerging strategy is being implemented. Discussion of the potential role that the GCMi program activities might be expected to play during the transition and the importance to the transition of the community-based initiatives that have been undertaken to date under the GCMi program, are contained below in Section V.C. of the Main Report.

Satisfaction with the results of GCMi mobilization activities at the community level is generally high. Expressions of satisfaction came through during Assessment Team meetings with local government leaders as well as with community members and members of teams that undertook to implement projects themselves (see Annex E).

The underlying design of GCMi, which allows communities to submit up to three project concepts for funding on a sequential basis, is one of the more important factors in ensuring program impact and sustainability. Community groups have had the opportunity to learn from one experience and to carry that learning on to their next project. Nearly all communities could cite examples of a project that they had conducted on their own utilizing their mobilized community team. While a statistical sampling was not conducted, it can be estimated that 90% of communities continue to utilize the mobilization process to conduct activities without GCMi funding or participation.

IV. THE TEAM'S CONCLUSIONS

Both Mercy Corps and CARE have been efficient and effective in mobilizing communities in their respective target areas in east and west Georgia and both have established good financial and project implementation monitoring systems. Mercy Corps has been effectively managing a sizable sub-grant component since the first year of GCMi program operations, an area where CARE has also made considerable progress over the past year. They have both also demonstrated their capacity to implement multi-sector interventions at the district level involving coalitions of CIGs/CBOs and Local NGOs, and have demonstrated that they have the capacity to link communities with micro-finance institutions. The social policy component of the GCMi program, which has had mixed operational success over the past two years, is managed by Mercy Corps in partnership with CARE.

At this stage, the sustainability of both the Mercy Corps and CARE community mobilization programs rest heavily on the successful processes that they have established and the results that they have produced. An added factor in the future and one that appears to be gaining in importance is whether they can be further mobilized to play a central role in producing the results that most of their client communities need at present; namely increased job opportunities and improved health care.

The social policy advocacy component of the GCMI Program, which devolved to the management responsibility of Mercy Corps did not function as well as had been anticipated during the first two years of operation. Accordingly, the basic approach being undertaken to implement this component of the project will need to be restructured

V. THE TEAM'S RECOMMENDATIONS

To the extent that future USAID/Georgia community development activities require the management capacities, expertise, and experience that have been demonstrated by CARE and Mercy Corps to date, the Assessment Team recommends that both the West and East-GCMI Projects be extended.

The series of CBO mobilization workshop activities that have been conducted in West-GCMI, which take 3-4 days in working with communities, are a particularly useful mechanism of community development. The East-GCMI project has also conducted an effective series of mobilization sessions with communities. The Team believes that CARE and Mercy Corps should consider comparing their methodologies with the objective of learning from each other, if this has not already been done.

The monitoring system that was set up by Mercy Corps to provide a systematic and continuous assessment of the progress of a project over time also enables project staff to confirm that activities are achieving the objectives of the overall East-GCMI program and its component parts. It is a tool that should be shared with CARE monitoring and project management staff, if it has not already been shared.

The disharmony that has emerged between Mercy Corps and Horizonti as regards the implementation of the third component of the GCMI program (Social Policy Initiative Group) is impacting adversely on the achievement of the objectives of this component of the program. The Team was told that a number of discussions were held this past year regarding this problem, and that it was largely delay on the part of Horizonti in addressing the problem, combined with its unwillingness to provide proper financial reporting, that led to the delays in implementation. The Team has recommended that USAID take the lead in determining the means by which this matter might be resolved. An alternative means of addressing the problem would be to attach social policy advisors directly to CARE and Mercy Corps community mobilization teams, enabling them to work in tandem in addressing both the social policy needs of a community as well as its physical rehabilitation needs. Further suggestions as to how this problem might be addressed and resolved are contained below in Section V.D. of the Main Report.

VI. SUGGESTED PRIORITIES.

As reflected in the successes achieved to date and as indicated above, continued attention and resources should be directed to maintaining and expanding community mobilization activities where warranted, to ensure that the needs of the country's most vulnerable and economically disadvantaged groups are met.

VII. IMPROVEMENTS AND POSSIBLE SYNERGIES THAT MIGHT BE ACHIEVED

Given, as indicated in Section III.C.3, of the Main Report, that several USAID SO teams will be sponsoring interventions at the grass roots community level under the new assistance strategy that is to be implemented by USAID in the near future, the Assessment Team believes that it will be important for the SO teams to develop a coordinated set of sector program strategies to ensure that their respective interventions are adequately coordinated.

In this event, effective coordination could be accomplished through the establishment of a coordinative group that would meet periodically to review and discuss the development and proposed implementation of community level interventions, and that would include representatives of the SO teams engaged in these interventions as well as their local counterparts. To ensure that the interventions are well coordinated would likely also require the development of a relevant set of consolidated region-specific plans that would show what is to be done where within a specific multi-year timeframe.

The circumscribed geographic regions and sectors to which USAID resources are to be directed in the future in accordance with the Mission's new strategy, should be identified as soon as feasible along with the location, sector, and institutional points of entry and the specific kinds of interventions that are to be undertaken.

Interventions should also be undertaken that will enhance the capacity of communities and district-level coalitions of communities to stimulate micro-enterprise and business development activities and thereby generate increased jobs, and expanded income and revenue generation opportunities. Examples of the kinds of interventions that might be undertaken are cited below in Section V.C. of the Main Report.

VIII. LESSONS LEARNED AND BEST PRACTICES

Community mobilization programs should be long-term undertakings.

The efficacy of the USAID GCMi community mobilization model has been suitably recognized. The World Bank funded Georgia Social Investment Fund (GSIF-II) will be partnering with GCMi for purposes of community mobilization under GSIF-II projects. In addition, the managers of the Baku Tbilisi-Ceyhan (BTC) Pipeline Community Investment Programme (CIP) have contracted through CARE and Mercy Corps, the GCMi program's implementers, to undertake CIP projects along the route of the pipeline. Moreover, the BTC/CIP was designed to use a methodology similar to CGMI.

AN ASSESSMENT OF THE GEORGIA COMMUNITY MOBILIZATION INITIATIVE (GCMI)

I. INTRODUCTION AND BACKGROUND

The USAID/Caucasus Mission started the Georgia Community Mobilization Initiative (GCMI) program in the fall of 2000. The program is being implemented in terms of two projects under USAID Cooperative Agreements with CARE International in western Georgia and Mercy Corps (MC) in eastern Georgia. CARE and Mercy Corps have slight differences in their approaches to developing and implementing community development initiatives, based on their original proposals. CARE is implementing its activities through the establishment of Community-Based Organizations (CBOs); Mercy Corps, through the establishment of Community Initiative Groups (CIGs). The main characteristics of CBOs and CIGs are presented below in the introduction to Section III. The commonalities and pros and cons of the two approaches are discussed in some detail in Section IV. Both projects are halfway through the implementation phases of their community mobilization efforts under the GCMI program. Both are scheduled to be completed in September 2004.

In addition, the Mission is in the process of crafting a new assistance strategy to guide its aid program in Georgia for the period FY 2004-2008, and deemed it appropriate at this stage to conduct an independent assessment of the two GCMI projects to capture lessons learned, and to make mid-course corrections if necessary. Both CARE and Mercy Corps have recently conducted internal evaluations of the implementation of their projects. This assessment is expected to help the Mission in determining whether the projects should be extended into the new strategy period.

The Strategic Plan (2000–2003) currently being implemented by the USAID Mission has put emphasis on community-based programs such as the GCMI, which have demand-driven, bottom-up approaches in their operations. It is anticipated, however, that the new Plan will introduce a more cohesive program framework for implementing grassroots initiatives at the community and district levels, in an effort to maximize the impact of these initiatives.

The objective of the assessment is to evaluate the effectiveness of GCMI activities in achieving the objectives of the GCMI program as set forth in the current Strategic Plan, under SO 3.1., and to assess their potential suitability for achieving a set of follow-on objectives to be incorporated in the new Plan under SO 3.4., and specifically under IR 3.4.1. The efficiency of the management of Mercy Corps and CARE in implementing their respective projects under the current plan is also being assessed.

The goal of SO 3.1 is to achieve “reduced human suffering in target communities”. The intermediate results related to it, are:

- IR 3.1.2 -- Vulnerable communities meet own needs
 - IR 3.1.2.1 -- Increased capacity to deliver health and other services
 - IR 3.1.2.2 -- More active participation of vulnerable groups in the economy

The proposed goal of SO 3.4 will be to “catalyze the improvement of social and health services in targeted areas”. The intermediate results related to it, are:

IR 3.4.1 -- Communities meet basic needs

IR 3.4.2 -- Prevention of disease and access to quality health care improved

Tentatively, the basic needs to be cited under IR 3.4.1 will include both economic and social needs. More specifically:

- Communities will be mobilized to meet their own needs by increasing their capacity to deliver services, by fostering local economic development, and by responding as necessary to crises and other urgent needs.
- Issue-driven action, to be originated by CBOs acting together, will be viewed as a key instrument in addressing issues identified by the community and in resolving them. Such activities will be aimed at seeking the maximum contribution and involvement of local governments and business.
- CBOs will successfully lobby local governments and also convince local businessmen that they can be trusted

II. THE ASSESSMENT METHODOLOGY

The GCMi program is comprised of three main operational components: community mobilization; Non-Governmental Organization (NGO) service delivery sub-grants; and the Social Policy Initiative Group (SPIG). In addition, as noted earlier, the program is being implemented by two different agencies: by CARE International in western Georgia and by Mercy Corps (MC) in eastern Georgia. In accordance with the reporting requirements set forth in the Scope of Work (SOW) for the assessment, the Team regarded these separate undertakings by CARE and Mercy Corps as two distinct projects, and the pros and cons of their different approaches were evaluated and taken into account during the course of the assessment.

The Scope of Work also set forth three appraisal tasks for the Team, each of which required that a number of pertinent questions be addressed by the team in framing its findings, conclusions and recommendations for the two projects. These tasks were duly fulfilled: the Team addressed the sets of questions as required; and its findings, conclusions and recommendation are presented in Section III below, accordingly. A copy of the questions posed in the Scope of Work with regards to the Team’s three appraisal tasks are contained in Annex A.

The assessment methodology developed by the team was designed to achieve a broad perspective of the GCMi program and its impact at the community level, and to assess the operational approaches employed by CARE and Mercy Corps. Both CARE and Mercy Corps were requested to arrange site observation visits for the team with CBO/CIG selection criteria to include newly mobilized communities, groups with their first project in progress, groups that had implemented one or more projects, and groups that had “graduated” (successfully accessed the three-phase funding mechanism). In order to provide a valid mix of the operation of GCMi at ground level, additional criteria for CBO/CIG visits included selecting projects which had not previously been visited, projects which were not already widely recognized as successes, projects which provided examples of the breadth of activities conducted (i.e. health clinics, libraries,

irrigation, potable water, etc.), projects that targeted different vulnerable groups, and projects or groups that were experiencing severe problems or had failed.

Pertinent data were collected through the following methodologies:

Site Observations: Visits were made to 28 projects in villages, sacrebulos, and semi-urban areas in representative geographical regions throughout Georgia. A list of the sites visited is contained in Annex B.

Focus Groups: Focus group sessions were conducted with members of 19 CBOs and CIGs.

Key Informant Interviews included:

- 27 interviews with USAID staff and implementing partners,
- 3 interviews with both elected and appointed local government leaders,
- 3 interviews with other international donors and implementing agencies (note: GCMC has drawn the attention of the World Bank and BTC, both as a model for their own community mobilization efforts, and to use CARE and Mercy Corps as implementing organizations),
- 12 NGO interviews, leadership and staff members, and
- 4 Social Policy Working Groups, conducted as either interviews or focus groups

A list of the persons interviewed is contained in Annex C.

Document Analysis: Included the review of previous internal evaluations, USAID documentation, progress reports, and quarterly reports. A list of the documents obtained and reviewed by the Team is contained in Annex D.

Organizational Reviews: These included detailed reviews of the operations of both CARE and Mercy Corps as well as assessments of their organizational structures, monitoring and evaluation methodologies, and documentation and financial tracking systems.

Debriefings: The debriefings held as cited below, added substantively to the Team's understanding of the GCMC program as it has been implemented to date, and opened new areas of inquiry for the assessment team. Selected materials used for the debriefings, including quotations of comments made by program participants and beneficiaries compiled by the Team during interviews and focus group meetings, are contained in Annex E.

- USAID/Georgia SO Teams, three separate briefings and interim reports,
- U.S. Ambassador, Peace Corps representative, and USAID Mission Director, and
- USAID/Washington, DAA/E&E Bureau, Team Leader/Balkans, E&E staff.

Implementing Agency Comments: Copies of an early draft of the Team's report were forwarded to Mercy Corps and CARE for their comments. Their responses have been incorporated in the final report.

III. THE TEAM'S ASSESSMENT OF THE GCMI PROGRAM

The USAID Mission's strategy to reduce human suffering in Georgia is focused in large part on the community mobilization activities being implemented under the GCMI Program. The establishment by CARE of Community-Based Organizations (CBOs) and the establishment by Mercy Corps of Community Initiative Groups (CIGs) are interventions used by USAID to establish an institutional base at the grass roots level that will enable community members to launch and sustain other interventions and initiatives. It is anticipated that empowering the members of the CBOs and CIGs through direct interaction and management skills training, and through their participation in capacity-building activities, will enable them to sustain ongoing humanitarian programs aimed at meeting the basic needs of vulnerable groups for food, shelter and healthcare, while at the same time providing them with the means to guide communities onto a path leading to longer-term development.

In West-GCMI CARE utilizes CBOs which are comprised of community members which have been identified through the mobilization process and have been elected in an open forum to fulfill specific leadership roles in the community project process. A CBO is formally registered with the Government of Georgia and operates under a set of By-Laws. As noted below in section IV.D, which assesses the differences between the CBO and CIG modes of operation, acquiring official status enables a CBO to open bank accounts and clearly defines operating procedures for selecting a board of elected officers. A CBO board consists of seven elected officers including a Chairperson, Secretary, Accountant/Cashier, Procurement Officer, Social Welfare Person, and two Executive Committee Members. Board members serve for two years and can be elected for a second term if approved by the organization's General Assembly, which includes every person living in the community. The founding members of a CBO are the 15 participants of the community who had elected the board of the CBO. Every person in the community has the right to be a member of the CBO.

In East-GCMI Mercy Corps utilizes CIGs which are similar to CBOs although they are not registered with the Government of Georgia. Leadership roles within CIGs are more informal than those utilized by CBOs. Their formation begins with the election of the members of the group, once a target community has been selected by Mercy Corps; has participated in an Action Planning Meeting (APM); and has identified its highest priority project (See Task C, item 4, under Section II.B. below). The CIG then becomes responsible for developing the project with the assistance of Mercy Corps staff, which includes training. It is also responsible for mobilizing the community's contribution to the project, whether money, materials, or labor and services. In rural areas, projects are identified for individual villages and/or for whole sacrebulos. In urban areas, projects may be identified for specific institutions (commonly schools and kindergartens) or sub-districts or communities (e.g., residents of specific streets or buildings). CIG meetings are open for any community member to attend. As indicated in Section IV.D., Mercy Corps staff members value the organic nature of leadership which arises from the more informal operating style of CIGs.

A. WEST-GCMI

1. *The Progress to Date of Interventions Initiated and Implemented by CARE Under the West-GCMI Project*

The target set as to the number of communities that are to be mobilized by the end date of the West-GCMI project (September 2004) is 300. The number of communities that have been mobilized to date is 251. The target for the number of micro-projects that are to be completed by the end date of the GCMI program is 550. The number completed to date (estimated to be completed by September, 2003) is 305. The number of grants issued to NGOs to date through the West-GCMI project is 31.

Community-based micro-projects being funded under the West-GCMI project are aimed primarily at increasing access to basic social services through the improvement and rehabilitation of schools, ambulatory health care posts, rural roads, electric supply facilities, irrigation facilities, and potable water supply facilities, and through advocacy training and assistance to pensioners, unwed mothers, and internally displaced persons (IDPs). There are recurrent seasonal challenges in working with rural agricultural communities which influences the pace of GCMI mobilization activities.

2. *Results Achieved and Program Impact Registered Through the West-GCMI Project*

The results achieved and the program impact registered through the implementation of West-GCMI community mobilization activities were clearly evident to the members of the assessment team as they conducted interviews with CBO members and undertook site visits. With respect to the process by which the members of a CBO are selected, during group interviews CBO members readily identified the leader of the group and carried on a sustained dialogue with the assessment team about what they had accomplished and what remained to be done. The recognition of members that they could mobilize a CBO and renovate a school building, or repair a ruptured sewer line, provided clear evidence of the results achieved and the beneficial impact of mobilization activities.

Indications of success in terms of the results achieved and impact were also reflected in comments by CBO members that at first there had been mistrust and mobilizers often had to work hard to bring a group together. A sense of progress was manifested, however, when the group did come together to elect officers, and further notable impact was registered when a CBO had successfully completed its first project and went on to undertake a second one. While Team members were able to conduct only a limited number of interviews and site visits during their assessment of the West-GCMI project, conversations with CARE and NGO staff who had been engaged extensively in such interventions tended to confirm that the process generally worked along the lines indicated above. Team members duly noted that seasonal factors and their remote location did indeed influence the pace of GCMI activities in rural agricultural communities and were taken into account in assessing the progress of mobilization efforts being undertaken in these communities.

3. *The Team's Findings As They Relate to the West-GCMI Project*

Cited below as headers are the three tasks that were set forth in the Scope of Work for the Assessment Team, and the Team's findings with respect to the questions posed for each of the three tasks, as they relate to the West-GCMI Project:

Task A: Appraise the West-GCMI program and its three components (community mobilization, NGO service delivery sub-grants, and the Social Policy Initiative Group) in relation to the current SO 3.1.

As noted earlier: the goal of SO3.1 is to achieve reduced human suffering in target communities.

1. *The level of community satisfaction with the process that the West-GCMI project uses to make decisions and implement projects*

Satisfaction with the results of community mobilization activities at the community level is generally high. Expressions of satisfaction came through meetings with local government leaders as well as with community members and members of the teams that undertook to do projects themselves (see Annex E). The mobilization of CBOs is a significant event in the communities where they have been organized, and there appears to be widespread and nearly universal support at the community level for the various kinds of projects that have been undertaken.

In characterizing the quality of the results achieved, whether an activity involving the renovation of a building, the restoration of a soccer field, or the establishment of a cultural center, the interventions undertaken were usually well targeted, well done and greatly appreciated. To date most of the projects undertaken have involved the reconstruction of Soviet era infrastructural facilities or buildings. The overall quality of workmanship is currently not much above indigenous skill levels, and closely mirrors local construction and workmanship practices. Technical assistance is often provided when needed by qualified engineers; however, GCMI staff members also provide assistance in areas where they have the requisite technical skills.

The Team believes that local NGOs should be utilized to provide a wider range of services for target populations and to supplement the capabilities of CARE.

2. *The sustainability of community mobilization projects in terms of the processes they establish and the results they produce*

The underlying design of GCMI, which allows communities to submit up to three project concepts for funding on a sequential basis, is one of the most important factors in ensuring sustainability. Communities are not assured at the outset that three projects will be undertaken; performance and needs are assessed prior to initiation of each of the two subsequent projects. Community groups thus have the opportunity to learn from one experience and to carry that learning on to their next project. Linking three projects together also provides the stimulus necessary to reinforce skills and adds to sustainability. Leadership as well as financial management and technical skills are learned and reinforced through the utilization of three funding cycles. The assessment team received repeated requests for communities to undertake a fourth project. Nearly all communities could cite examples of a project that they had conducted

on their own utilizing their mobilized community team. While a statistical sampling was not conducted, it can be estimated that 90% of communities continue to utilize the mobilization process to conduct activities without GCMC funding or participation.

West-GCMC (CARE) appeared to be especially strong in focusing on the maintenance of completed projects. Communities are required to submit maintenance plans, and to include maintenance in their original budgets where required. West-GCMC is also particularly strong in linking health projects to reconstruction projects, i.e. a school building reconstruction would not be funded unless a secondary activity involved the construction or repair of toilet facilities to serve the school. This linkage of activities helps considerably to insure the sustainability of the original project.

3. *The extent to which mobilized communities have a "real" and effective partnership with other entities, such as local authorities and NGOs*

A CBO has a strong social component. The original GCMC design wisely maintains that projects are community-oriented in nature. The members of the CBO know what needs to be done and involve the community as warranted. Leaders in local government may participate in projects, but are not allowed to sit on the governing board of a mobilized committee. Establishing links with local government agencies does not mean or lead to local government control of projects or project funds.

In addition, GCMC-mobilized communities wisely reach out to local governments for contributions to their projects. And local governments have responded with donations of materials, buildings, land, and the use of government vehicles, labor, equipment, and cash contributions. While there have been some turf battles where local leaders want to take control of projects, these attempts have been effectively stopped. The assessment team met with numerous local leaders (gangabeli's) who became enthralled with the community mobilization process, and who would attend training sessions offered by GCMC mobilizers in order to learn about leadership, group process decision making and financial management, and just to be involved out of their own interest or in line with their responsibilities as local leaders.

In the Team's view, the partnering that has occurred at the community level to date, particularly with local government officials, has been outstanding. In none of the communities visited were participants able to cite any other initiative that had achieved the same degree of community partnership. At the same time, it has been noted that these partnerships have generally just recently been established and their effectiveness and success should be viewed, at least for the present, as short term in nature. Nevertheless, concerted efforts should be made to exploit this development. This can best be accomplished by continuing to hold roundtable discussions concerning the progress and impact of community mobilization activities and inviting selected local officials to sit at the table and participate in the discussions. Over time, the focus of the discussions might be shifted to other pressing community issues in which local officials might play an active role, such as local fee/tax assessments, road repairs, the modification of school curricula, and the promotion of small business ventures.

4. *The pros and cons of the approach to community mobilization being taken by CARE*

As noted earlier, Mercy Corps and CARE have taken different approaches to community mobilization from the outset of their participation in the GCMI program. The differences in their respective approaches have been compared in some detail below in Section IV. Based on its assessment of the two approaches, the Team believes that eventually the CARE CBO model and the Mercy Corps' CIG model will each be recognized throughout Georgia as necessary though separate vehicles for mobilizing communities and for undertaking community-based initiatives.

Regarding the pros and cons of the CARE approach: on the "pros" side, CARE assists community groups through the registration process to become CBOs. This official status allows the CBOs to open bank accounts, and defines operating procedures for selecting a Board and elected officers. Other positions related to the completion of a community project are then determined. While the bylaws of a CBO proscribe the legal basis of the organization, and set basic standards on membership, and official decision making processes, becoming a CBO in no way guarantees nor restricts the management style or effectiveness of the CBO leadership. When conducting site visits, CBO board members, and general membership were easily able to identify who was responsible for what tasks (financial management, procurement, secretary, etc.).

Conversely, CARE has burdened its grants officers with an accounting function. The Team believes that the reconciliation of budgets and receipts should be the function of the accounting department. Grants officers need the time to interact with CBOs and to assist in their management functions.

CARE should also take steps to ensure that CBOs retain some of the flexibility now enjoyed by CIGs, particularly by creating an atmosphere where CBO members may more easily exchange roles (and not simply serve out terms specified in the bylaws). Exchanging roles within a CBO as progress is made in the second and third projects would offer more opportunity for members to learn additional management skills. Such an option should be offered.

5. *The extent to which there are programmatic "overlaps" with other activities funded by USAID or other donors, or "gaps" that are not being addressed by the West-GCMI project or other programs*

No significant "overlaps" with other activities funded by USAID were observed. On the contrary, the CBOs mobilized by CARE should be seen as the starting point for other USAID initiatives. Other donors including the World Bank and British Petroleum are already committed to working through the CBO institution-building mechanism that was instituted in both western and eastern Georgia, with local assistance, by USAID. There is some chance; however, that taking on the task of providing several major donors with the technical services needed to initiate an appreciably increased number of community mobilization activities could cause management strains on CARE, and Mercy Corps. From its quick review of their operations, Team members can foresee a need for increasing the managerial staff levels at both Mercy Corps and CARE, and for recruiting additional staff members who are familiar with environmental issues and the operations of agricultural and micro-business loan programs.

Team discussions with management officials from both the Georgia Social Investment Fund (GSIF) and CARE indicate that there have been overlaps relating to infrastructure rehabilitation and reconstruction activities by CARE and the GSIF (i.e. some of the same geographical areas of the country were covered in implementing projects). However, steps are being taken to forestall any such overlaps under GSIF II except where they may be mutually beneficial. In many cases, GSIF II projects will likely be regarded as "fourth" GCMI projects.

There does appear to be a "gap" in the community mobilization process, which is reflected in the general inability of CARE and community leaders to identify potential income generating activities. It should be noted that the main purpose of the GCMI program is not to provide income generating opportunities to communities, even though CARE will be addressing this issue through its upcoming group lending initiative. West-GCMI strongly believes that the community wide approach to the first two projects in a community is critical to build a sense of trust, confidence and transparency. Introducing IGA without this foundation may be detrimental to the overall successes seen. Communities do have many ideas on how to generate income. The challenge for CARE is to work with communities and to help them identify what is and is not feasible and to set criteria for undertaking such activities.

6. *Suggestions as to ways in which related activities under other USAID Strategic Objective (SO) teams or those of other donors can be better linked to enhance program results*

Related activities could be better linked through strategy and program planning workshops, and through joint interventions. In addition, steps should be taken to ensure that any initiative or outreach program to local communities being undertaken by a USAID Strategic Objective (SO) team, utilizes established CBOs and the relationships that they have established with local government and community citizens as their points of entry.

Efforts should be made by CARE, and by Mercy Corps and USAID, to ensure that CBOs have the means to monitor and become involved in interventions that are being sponsored by USAID or other donors, that are related to improved education and healthcare, environmental management, economic development, and other community interest areas, as well as interventions related to social policy and other advocacy issues. The establishment of a coordinating group and the development of relevant sets of region-specific plans (see p. 15 below) would help appreciably to better link related activities.

Task B: Appraise CARE's management of the West-GCMI Program

1. *The extent to which the West-GCMI program has achieved its targets to date*

The West-GCMI project is currently behind schedule as to the targets that it has set regarding the number of communities that are to be mobilized and the number of micro-projects that are to be completed by the end date of the project in September 2004. The need to replace staff members who held key management positions at the onset of the project is cited as the main cause of the delay. However, the CARE management team, having developed a strategy to accelerate mobilization activities and project implementation through partnering of local NGOs and by increasing staff capacity and streamlining the review process, have significantly increased the speed of overall West-GCMI implementation; has redoubled its efforts to achieve these targets; and believes that it will be able to attain them by the end of the project, provided an expected 3-

month extension to the end date is approved. Inasmuch as the West-GCMI end of project date, September 2004, is in the middle of the most productive community project implementation period, CARE will likely request a 3-month extension to allow for completion of projects through November 2004. In this regard, the monitoring system and performance indicators that have been developed by CARE to monitor program progress are providing useful and reliable data on program progress and impact.

As it is currently being managed, the West-GCMI project represents an exemplary example of development assistance activities that are being successfully targeted and that are reaching, as intended, the most vulnerable communities in Georgia and they are reducing human suffering in those communities. In following through on its community mobilization mandate, CARE has combined both a process and a staff (particularly Georgian staff) who have made a sustainable impact on communities in areas that are crucial to the success of mobilization efforts, including the development of effective management and leadership skills, the adoption of democratic decision making processes, and the acquisition of technical competence through effective training programs.

The overall impact of this success is reflected in the recognition by local communities and grass roots organizations, that the CBOs which they have established with the assistance of CARE and its cadre of sub-contractors, are basic democratic organizations and are collectively laying a foundation for the long-term development of western Georgia.

2. The uses and usefulness of CARE's monitoring and evaluation system

With regards to the West-GCMI project's prospects for reaching the end of project targets that it has set (see para. 1. under Task B), the monitoring system and performance indicators developed by CARE to monitor program progress have been useful in providing reliable data on program progress and impact.

Both Monitoring and Evaluation (M&E) data and anecdotal information are used for management purposes as is evidenced by the tables and anecdotal summaries of the status of project activities that are regularly incorporated in the West-GCMI project's semi-annual reports. CARE management and its technical staff at headquarters and in the field, are methodically using M&E and anecdotal information to guide their work programs and to assess progress and impact.

Nevertheless, Team interviews with West-GCMI project management staff indicated their awareness that M&E data could be better used for program management, and CARE management and technical staff members are currently in the process of developing appropriate formats and guidelines to do so.

3. The organization and management of CARE's data collection mechanisms

CARE's data collection mechanisms are well organized and effectively managed and appear to capture the kinds of data that staff members need to manage the project's overall and financial management operations. M&E staff members that were interviewed by Assessment Team members at CARE's West-GCMI field office in Kutaisi appear to be fully capable of managing the project's data collection mechanisms and are well trained. To the extent that they become

involved in ongoing efforts to strengthen the qualitative information components of the project's M&E system, some additional training may be required. The Team was told that an M&E specialist has been recruited to assist in further development of the system.

4. *The effectiveness of program implementation, including the management of sub-grants in each of the three West-GCMI components*

Team members concur that CARE is currently effectively managing the process of implementing the community mobilization component of the West-GCMI project. This was abundantly clear from the Team's meetings with the members of a number of CBOs. Quick answers were given to questions posed as to how the Team was organized, how the CBO's leadership team was elected, how the community's needs and priorities were determined, the sources of materials procured, the adequacy of the technical skills available, and whether the funding provided by CARE was sufficient for the activity at hand.

For sub-grant activities undertaken in response to medical or health needs; or for aid to the indigent, impoverished, handicapped, marginalized or disabled; or where abuse or addiction problems persisted, the keystone of CARE and NGO assistance efforts was almost always compassion and dedication to the purpose at hand.

CARE works in partnership with the International Medical Corps (IMC), the organization responsible for implementing the health and social welfare component of the West-GCMI project, to improve the health and social welfare (HSW) status in mobilized communities. This is being achieved through sub-grants to local NGOs that have had experience in implementing community-based social services projects, and involve the implementation of micro and small-scale HSW projects; community health education activities; healthcare providers training; early childhood education initiatives in schools and kindergartens; community-based health financing; and community-based social service projects for vulnerable groups.

An evaluation of the HSW component which was commissioned by IMC and CARE, was completed in March 2003. The evaluation report concluded that the health-sector component of the West-GCMI project had demonstrated an increasing capacity to deliver results on the ground, and was contributing much needed resources to vulnerable groups throughout western Georgia. The report recommended the following, however: (1) that benefits be targeted to the most vulnerable groups within beneficiary communities rather than through the general targeting of vulnerable communities; (2) increasing investments oriented towards producing results in terms of health and education performance; and (3) casting the HSW team's focus on the evaluation of a micro or small project's results in terms of outcomes, rather than outputs and processes. A team interview with the IMC Advisor indicated that action had been taken by his office to implement these three recommendations. The proposed goal and purposes of SO 3.4 relating to the "improvement of social and health services in targeted areas" was also discussed in some detail with the IMC Advisor. It was evident from the interview that IMC and CARE have the capacity under the West-GCMI project to effectively implement community-based HSW activities related to the achievement of SO 3.4.

Over-management of NGO sub-contractors may be an issue, however. While the team was not able to discern the exact source of the complaints on burdensome paperwork ("where another agency would require one page, CARE requires three"), a careful assessment should be

conducted with the objective of reducing paperwork handling. On the other hand, the financial management criteria used by CARE are widely praised by RFA bidders since they provide standards and guidelines that are straightforward and easy to follow. CARE was singled out as one of the "few effective donors in western Georgia" due to the fact that they had provided the format, direction, and backstopping necessary for a local NGO to be successful.

Secondly, the reporting requirements that CARE lays on RFA awardees may be burdensome. It appears that reporting/accounting procedures are aimed at "the perfect" rather than the "achievable". If the reporting burden takes away from mobilization efforts and delays individual project implementation then no value is added for USAID. Awardees noted that a one-month implementation target is established on RFAs, but that the actual administrative review/award process may take up to four months. RFA awardees also noted that grant competitions are spaced so that they are required to reduce staff and then recruit staff back, rather than being able to maintain a staff which has the necessary experience with CARE activities.

According to CARE's most recent semi-annual report on West-GCMI project activities, one hundred and sixteen (116) CBOs had attended basic advocacy workshops conducted by Horizonti. Approximately three hundred and twenty one (321) participants attended these workshops to learn what advocacy is and how it is used as a tool for peaceful and organized social change. All of the three hundred (300) communities in the West-GCMI area that have been mobilized will be offered courses in basic advocacy, with advanced courses in advocacy planned for later in the next quarter for the most active CBOs .

A second major event that took place in the West-GCMI area during the reporting period related to the total of some sixty CBOs within the West-GCMI area that had sent delegates to form "Social Policy Working Groups" (SPWG) in the regions of Imereti, Guria and Samegrelo. These SPWGs have been active during the past six-month period attending workshops on advanced advocacy, and on social policy awareness as it relates to education reform, primary healthcare and social welfare programs. The SPWGs have been preparing micro-projects based on these issues for funding in the next quarter.

5. *The effectiveness of CARE's management structures, monitoring processes and grant awarding mechanisms in achieving program objectives and intermediate results*

In terms of USAID's current Strategic Plan, the objective of the GCMI project is to achieve reduced human suffering in target communities. The intermediate results that will need to be achieved in order to ensure that the overall objective itself is achieved, require that the vulnerable communities being served by the project reach a point at which they are able to meet their own needs; have an increased capacity to deliver health and other services; and are participating more actively in the economy in the area where project activities are being implemented.

From this perspective, it can be said that CARE's management structures, monitoring processes and grant awarding mechanisms are effectively achieving the GCMI program's overall objective and the requisite intermediate results, inasmuch as CARE's management structures cover the areas of program impact both geographically and programmatically. They also cover them in terms of the economic, humanitarian and social problems and issues that need to be addressed and resolved.

Moreover, CARE is achieving the project's overall objective and intermediate results efficiently and effectively by (1) allowing CBOs to identify their own priorities as to their assistance needs and to act on them, thereby enabling the CBOs to meet their own needs and to participate more actively in the economy; (2) by using local staff and local NGOs to help implement project activities, thereby increasing the capacity of the community organizations to deliver health and other services; and (3) by ensuring that beneficiaries are being directly impacted by project activities, thereby achieving the overall objective of the program which, as noted below, is to effectively reduce human suffering in target communities.

Task C: Appraise the West-GCMI program to determine whether it appears to be an appropriate vehicle for achieving the draft SO 3.4, especially the draft IR 3.4.1.

From its review of the draft text in the new USAID strategy for Georgia and, specifically, those sections related to activities that are being implemented through the GCMI program, the Team believes that the West-GCMI program, as it has evolved and been implemented over the past two years would be an appropriate vehicle for achieving the draft SO 3.4 and especially the draft IR 3.4.1.

As set forth in the draft text of the new USAID strategy, community mobilization activities as they are currently being implemented would need to be sustained and extended to communities in areas that have not yet been covered. Secondly, these activities will need to be more concentrated in targeted areas. In addition, assistance provided to the communities being mobilized will be more focused on building within communities the institutional structures and the capacity needed to enable them to meet their own basic needs through increasing their capacity to deliver services, through a fostering of local economic development, and through responding as necessary to crises and other urgent needs.

While USAID has clearly indicated, that community mobilization will continue to be the main focus of activities funded under the GCMI program the team believes that by empowering the members of CBOs and CIGs through direct interaction and management skills training, and through their participation in capacity-building activities, they will be able to sustain ongoing humanitarian programs aimed at meeting the basic needs of vulnerable groups, while at the same time helping to guide communities onto a path leading to longer-term development.

1. The interventions that are the most critical and that will likely be effective in achieving program objectives and intermediate results

Community mobilization is presently the most critical intervention and will continue to be. Relief to the most vulnerable segments of the population will also continue to be regarded as critical. Other interventions that are currently being implemented and that will likely take on added prominence in any future GCMI program, are the sector and district-level coalitions that are being organized among local CBOs and NGOs. Community-based micro- projects and primary-level economic and social infrastructure development activities also fall within the critical category given their importance to fostering local economic development.

Developing the capacity of vulnerable communities to meet their own needs is, on its own, also a critical intervention. CARE has noted in its most recent West-GCMI Semi-Annual Report that the implementation of community-based micro/small projects has contributed to reduced human

suffering in targeted West Georgian communities through increasing the availability and accessibility of basic social services such as primary and secondary school projects, ambulatory health posts, rural transportation infrastructure, water supply, energy supply, and cultural centers. Some 221 such GCMI projects have been implemented or are ongoing in the West Georgia GCMI area.

The same report noted that the improvement of primary-level social infrastructure assists targeted communities to transit from a post-conflict situation to the development of their own communities. The rehabilitation of an electric generating system, for example, has induced local entrepreneurs to start small enterprise development activities aimed at generating employment opportunities. The rehabilitation of rural roads has, in some areas, mitigated the almost complete isolation of rural communities from marketing centers, and reduced their transportation costs.

2. *The opportunities for integrating program components that could result in greater program impact under the draft SO 3.4 Results Framework*

Among the factors that are assisting the effective integration of the GCMI program are the trust that has been established between CARE and the local population; and the confidence that communities have gained from having successfully implemented community projects.

Such confidence led six West-GCMI-mobilized CBOs from two districts to form a coalition with a local NGO to renovate an operating room and to secure urgently needed medical equipment. The same group of CBOs was also involved along with the local NGO in converting a vacant warehouse into a community center that the Team visited which includes a library, an information center, and a hall for dance lessons.

To improve the effectiveness of the Community Mobilization approach, and having noted the success of the foregoing intervention, four other West-GCMI-mobilized CBOs and two local NGOs formed a coalition that could result in a project through which health examinations would be rendered to children in the area to study and maintain a database on the diseases that are most prevalent for their age group (6-17 years old).

3. *Unexpected but important benefits or impacts that emerged from the community mobilization process*

The Team found the CBO mobilization efforts conducted by CARE in the western Georgia region to be a very effective and well-received demonstration of democracy building at the grassroots level. As recognized and often stated by CARE team members, the real goal of community mobilization projects is the development of the community itself through the CBO process, not solely the “bricks and mortar” work that is realized by the community. In effect, the West-GCMI project is building a cadre of hundreds of local leaders and thousands of community members across the western parts of Georgia who have exercised and been able to implement and replicate democratic processes successfully in their communities.

The success of collaborative arrangements in promoting activities of district and regional interest and impact is an important unexpected impact that has emerged from the implementation of the West-GCMI project.

4. *The appropriateness of the selection criteria used for identifying and reaching target communities*

West-GCMI undergoes a four-step process through which it identifies vulnerable communities and then applies various criteria in determining which of those communities will be selected for future interventions. The first step in the process involves identifying all West Georgia communities. This is done on the basis of data provided by the Regional Statistical Department on the country's overall population and households sorted by communities. A team consisting of a Community Mobilization Manager and a Community Mobilization Coordinator review the data and identify potential candidate communities.

A Stakeholders Conference is then convened to review the data and validate the selection process. Pre-evaluation site visits are undertaken by CMOs who meet with representatives of the communities selected to identify vulnerable groups in the communities such as IDPs, pensioners and large families and to confirm that a selected community has poor infrastructure and services, as well as limited or no access to key resources such as water and electricity. This leads to a final evaluation and appraisal of selected communities involving the CMO, CMC and CMM, who discuss the information collected during the pre-evaluation site visit and proceed to begin preparing a plan for a West-GCMI intervention.

5. *The adequacy of the results achieved in terms of the resources invested*

The Team believes that the results achieved to date under the West-GCMI program were sufficient for the resources invested. The program is currently well integrated in the Mission's current assistance strategy, although it will need to undergo a transition as the new emerging strategy is being followed. Follow-on activities to facilitate future implementation of the GCMI Program should include the following:

- ▶ The design and implementation by communities of multi-community and multi-sector activities should be encouraged.
- ▶ USAID should ensure that SO Teams utilize communities that have been mobilized as a starting point in initiating new interventions and in dealing with local communities.
- ▶ USAID SO teams should also try to coordinate among themselves as feasible, their approaches to initiating and implementing interventions in local communities.
- ▶ Local communities should be encouraged to create an Association to connect CBOs and to enable them to share group-lending experiences, lessons learned and best practices
- ▶ USAID should encourage the Government to develop a national GIS database that is locally housed, and publish directories that track mobilized communities and international donor interventions, as well as social-economic conditions.

Job creation and the identification of legitimate income generation opportunities appear to be the two greatest needs of beneficiaries in communities that have been mobilized to date that the current program has not met (and that it was not designed to meet). Data provided to the Team indicate that only 50 jobs have been created since inception of the program in west Georgia.

Beneficiaries need to find ways to augment their incomes to improve their living conditions. Communities need to develop sources of revenue to sustain public investment activities. Job creation and increased revenues are prerequisites to development. The Team foresees CBOs and CIGs playing a key role on behalf of their communities in helping to bring about activities and interventions that will contribute to solving these problems.

There is also a need for follow-on activities to be undertaken in the nature of business micro-enterprise development efforts; the initiation of group lending operations; market expansion schemes; and prospective revenue generating activities, e.g., fees from fines imposed to regulate traffic.

Given that several USAID SO teams will be sponsoring interventions at the grass roots community level under the new assistance strategy that is to be implemented by USAID during FY 2004-2008, the Assessment Team believes that it will be important for the SO teams to develop a coordinated set of sector program strategies to ensure that their respective interventions are adequately coordinated. Effective coordination could be accomplished through the establishment of a coordinative group that would meet periodically to review and discuss the development and proposed implementation of community level interventions, and that would include representatives of the SO teams engaged in these interventions. To ensure that the interventions are well coordinated would likely also require the development of a relevant set of consolidated region-specific plans that would show what is to be done where within a specific multi-year timeframe.

6. *The Team's Conclusions and Recommendations As They Relate to the West-GCMI Program*

On the basis of its assessment of the results achieved by CARE in managing the West-GCMI project, the Team has concluded that CARE has been efficient and effective in mobilizing communities in West Georgia and has established good financial and project implementation monitoring systems. In addition, it has demonstrated its capacity to implement multi-sector interventions involving a coalition of CBOs and Local NGOs at the district level and has also demonstrated that it has the capacity to undertake and manage interventions that will include group lending and micro-finance operations.

7. *Regarding the proposed extension of the West-GCMI Project*

Recommendation: To the extent that future USAID/Georgia community development activities require the management capacities, expertise, and experience that has been demonstrated by CARE to date, the Assessment Team recommends that the West-GCMI Project be extended.

8. *Regarding the need to monitor more closely CARE's expeditious efforts to achieve the targets that it has set*

Recommendation: USAID should begin to monitor more closely CARE's recently expedited efforts to achieve the targets that it has set as to the number of communities that are to be mobilized and the number of micro-projects that are to be completed by the end date of the project, to ensure that its efforts to achieve these targets do not impair the quality and

sustainability of the community mobilization activities that are being initiated and that will be implemented in the interim.

9. *Regarding the adoption of CBO mobilization workshops by the East-GCMI*

Recommendation: The series of CBO mobilization workshops that have been conducted in West-GCMI are a particularly useful mechanism of community development and, should be adopted in the East-GCMI project if they have not already been adopted.

B. EAST-GCMI

1. *The Progress to Date of Interventions Initiated and Implemented by Mercy Corps Under the East-GCMI Project*

The target set as to the number of Community Initiative Groups (CIGs) to be organized to assess local needs by the end date of the East-GCMI project (September 2004) is 148. The number of CIGs that have been organized to date is 193. The target set for the number of projects that are to be completed by the end date of the program is 575. The number completed to date is 339. . In addition, in terms of progress to date, Mercy Corps has noted that a total of 511 Grants have been awarded to date (179 to NGOs, 332 to CIGs) of which around 150 are ongoing.

The kinds of projects undertaken by CIGs and NGOs have included the rehabilitation of electricity distribution facilities; road repair and improvements, installation of alternative energy systems (bio-gas and sawdust), installation and rehabilitation of sanitation, sewage and drainage removal systems, drinking water systems, schools, ambulatory health care facilities, cultural centers, sports facilities, construction and the installation of mill equipment, vocational training, irrigation channels, and care centers for the indigent, homeless, impaired and disabled.

The foregoing categories specifically included 110 schools projects, 52 drinking water projects, 17 irrigation systems, and various roads, bridges, micro hydro-electric projects, electricity and gas infrastructure, and agricultural loans.

The average community contribution to CIG projects over the first two years of the program was over 40 percent.

2. *Results Achieved and Program Impact Registered Through the East-GCMI Project*

Through the East-GCMI program, Mercy Corps has sought to strengthen participatory mechanisms across all sectors of the communities in which CIGs have been organized. Civil Society workshops in four regions brought together NGO, CBO, business and government members to discuss their participation in private sector, government and civic sector activities.

Another indicator of the effectiveness of Mercy Corps in achieving results and having impact through its management the East-GCMI project is the fact that the majority of the 22 CIGs that have completed a three-phase cycle of micro-projects under the East-GCMI program have subsequently gone on to carry out other micro-projects addressing priority needs in which they have raised all the necessary resources with no recourse to East-GCMI.

3. *The Team's Findings As They Relate to the East-GCMI Project*

Cited below are the three tasks set forth in the Scope of Work for the Assessment, and the Team's findings with respect to the questions posed for each of the three tasks, as they relate to the West-GCMI Project:

Task A: Appraise the East-GCMI Program and its three components (community mobilization, NGO service delivery sub-grants, and the Social Policy Initiative Group) as they relate to the current SO 3.1.

1. *The level of community satisfaction with the process that the East-GCMI project develops and uses to make decisions and implement projects*

Mercy Corps has moved quickly to achieve its targets in mobilizing CIGs and in improving the capacity of NGOs to implement projects. The innovative style and the flexibility incorporated in the way that Mercy Corps has been managing the East-GCMI project has in large measure been responsible for the results that have been achieved and have helped to vindicate its approach. In effect, the project's bottom line shows that the process is reaping results. This accomplishment also appears to have contributed to the level of community satisfaction with the process.

The indicator cited above which shows that a majority of the 22 CIGs that have completed a three-phase cycle of micro-projects under the East-GCMI program, have subsequently gone on to carry out other micro-projects, has further bolstered the case for a high level of community satisfaction, which was borne out as well during Team interviews conducted during site visits.

The use of local NGOs to construct community projects, in lieu of CIGs, should be maximized. What the local NGOs learn from the process may be as important, if not more so, than what they do. This, of course, requires that Mercy Corps begin to invest in the development of local NGOs in a fashion similar to that which was used to build the mobilization capacities of CBOs and CIGs. Utilization of NGOs to undertake community mobilization tasks will enhance Mercy Corps outreach and ability to more rapidly mobilize more communities as new funding is accessed. Building capacity of NGOs to undertake mobilization and project administration will result in a large cadre of trained professionals with skills important for other NGO initiatives in the future.

2. *The sustainability of the community mobilization programs in terms of the processes they establish and the results they produce*

At this stage, the sustainability of the both the Mercy Corps and CARE community mobilization programs rest heavily on the successful processes that they have established and the results that they have produced. An added factor for the future and one that appears to be gaining in importance is whether they can also help to produce the results that most of their client communities need at present; namely increased job opportunities and improved health care. As noted earlier, the Team foresees CGOs and CIGs playing a key role in helping to solve these problems.

The physical reconstruction of buildings is only one aspect of both a successful and a sustainable project. The assessment team visited schools that had been rehabilitated, but had no books;

clinics that now had plumbing and sanitary conditions, but no medicines; and so on. It must be recognized that few of the projects undertaken are stand alone and complete after the construction phase has been finished. The completed projects offer an excellent opportunity for further advocacy or community campaigns, which can help make the results of the funded portion of the project truly sustainable.

3. *The extent to which mobilized communities have a "real" and effective partnership with other entities, such as local authorities and NGOs*

East-GCM explicitly encourages its CIGs to engage in a constructive dialogue with local governments (initially at the sacrebulo level) as part of their project development process. All proposals from local NGOs are expected to demonstrate how they have involved, or plan to involve the government. In addition, there is an emphasis on local-level advocacy (all CIGs receive training in advocacy skills) that has led to a broader and longer-term dialogue between citizens and their local government, as the relationship grows beyond a project-based one. Similarly, the East-GCMI's many local NGO sub-grantees report a more sustained engagement with local government, as both parties seek to address issues together.

4. *The pros and cons of the approach to community mobilization being taken by Mercy Corps*

As noted earlier, Mercy Corps and CARE have taken different approaches to community mobilization from the outset of their participation in the GCMI program. The differences in their approaches have been compared in some detail below in Section IV. Based on its assessment of the two approaches, the Team believes that eventually the CARE CBO model and the Mercy Corps' CIG model will each be recognized throughout Georgia as necessary though separate vehicles for mobilizing communities and for undertaking community-based initiatives.

Following is a brief summary of the pros and cons of Mercy Corps' approach.

The Mercy Corps approach seems particularly well suited to the SO advocacy and integration requirements and the location-specific and sector-specific parameters being laid down for the development and implementation of community development initiatives incorporated in SO 3.4.1, in having established good relations with local governments, having undertaken consistent attempts to work with other SOs and complement their activities, and having fostered selected local economic development activities. A CIG structure may be particularly valuable when working with income-generating projects

However, more than three-quarters of CIGs interviewed stated that they believe that they should be registered as a CBO, and would prefer to conduct financial operations through a bank account. Mercy Corps has indicated that CIGs are welcome to register as a CBO if they care to, although they provide no guidance in how to do so.

At the same time, Mercy Corps staff value the organic nature of leadership which arises from the more informal relationships of a CIG. After all, who knows who will become natural leaders as a community project develops, and why try to codify this at the very start of a community mobilization effort?

The assessment team had difficulty discerning the roles and responsibilities of members in a CIG when meeting with membership during site visits. If no one can say who is responsible for expenditures, then is there anyone really responsible? If leadership of a CIG has been co-opted by a person with a strong personality, how can that be challenged by CIG members.

Mercy Corps staff devote a good (and appropriate) amount of time in working with CIGs and getting to know them. Mercy Corps also has a methodology of calling a "transparency meeting" to address conflicts or deficits that seem to be occurring. The flexibility of CIG management certainly has its many benefits.

Mercy Corps has noted that whereas its pilot project with ACDI/VOCA demonstrated its competencies with respect to group lending and micro-finance operations, and was successful in purely economic terms for the groups, which received loans, they are not entirely confident it achieved the parallel social aims. Also, while Mercy Corps, as an agency, has a widely acknowledged competency and successful track record in economic development activities it has not been asked to focus on this under the current Scope of Work in Georgia.

The Team had noted in an earlier draft that the series of CBO mobilization workshops that have been conducted in West-GCMI are considered to be a particularly useful mechanism of community development, and should be adopted in the East-GCMI project if they have not already done so. Mercy Corps has since informed the Team that it does hold regional-level workshops/conferences, on more specific themes (Civil Society) that enhance the capacity of their partner communities and NGOs and seek to go deeper than the mentoring/coaching they receive from our staff during field visits.

5. *The extent to which there are programmatic overlaps with other activities funded by USAID or other donors*

There were programmatic overlaps with GSIF I infrastructure rehabilitation and development projects (i.e. some of the same geographical areas of the country were covered in implementing projects). GSIF had inadequate community mobilization, which is partly why the World Bank reached out to USAID and GCMI. Since the projects are of a different scale, and since plans are now being formulated to regard future GSIF projects as a "4th project" for mobilized communities. In any event, it is expected that any overlaps that occurred during GCIFI will not recur during the implementation of GSIF II, as the result of steps being taken to prevent them, except where overlapping activities are mutually beneficial.

6. *Suggestions as to ways in which related activities under other USAID Strategic Objective (SOs) teams or those of other donors can be better linked to enhance program results*

Better links can be established through coordinative efforts. Within communities, priority should be given to interventions that involve more than one community and more than one sector; that construct linkages to relevant USAID and other donor activities, and that incorporate cross-cutting mechanisms to increase impact and their cost-effectiveness. Also, by ensuring that other SO groups gain first-hand knowledge of community mobilization activities and projects.

Mercy Corps has made consistent attempts to work with other SOs and to complement their activities. These activities, include the Community-Based Voter Education Initiatives RFA, the

Coalitions RFA and their work with GIPA. In addition, Mercy Corps has trained APLR staff in mobilization and have made use of UMCOR staff expertise in developing new economic development projects.

Task B: Appraise Mercy Corps' Management of the East-GCMI Program

1. The extent to which the East-GCMI program has achieved its targets to date

As noted above, the East-GCMI project being managed by Mercy Corps has already surpassed the number of CIGs that it proposed to organize by the end date of the project (148). Some 193 CIGs have been organized to date. In addition, it appears to be on track with respect to the number of projects that are to be completed by the end date of the program (575). The number completed to date is 339.

The performance indicators used by Mercy Corps to monitor and assess the progress of East-GCMI project activities and their impacts are incorporated in the monitoring system that was set up to provide a systematic and continuous assessment of the progress of a project over time. The system was described by a member of the Mercy Corps staff as being a simple, participatory indicator system that enables project staff to confirm that activities are achieving the objectives of the overall East-GCMI program and its component parts. It also enables project managers to identify and act on problems in an effective and sustainable way.

With respect to the community mobilization component, for example, the indicators being monitored provide annotated positive and negative findings as to whether communities being mobilized are resolving problems; whether they are helping vulnerable groups as a result of the program; and whether they are collaborating with the government, other CIGs, NGOs, and neighboring communities to resolve problems.

For the grants component of the project, the indicators provide annotated findings as to whether the grants are improving the capacity of NGOs to implement a project's financial or administrative systems, or its programming and strategy development and implementation capacities; whether there has been increased community participation in NGO projects; whether NGO projects are achieving sustainable results; and whether conditions are being improved for vulnerable groups.

As for social policy activities, the indicators provide information as to whether activity participants have achieved an increased understanding of social policy reforms, and whether the community participants involved in a particular activity are advocating for change at the regional and district level.

Having been briefed in some detail on the workings of the system and its tested usefulness, the Team considers it to be an innovative and valuable tool that enables project monitors to get behind the numbers in determining whether GCMI program activities are indeed contributing to the achievement of program objectives. In fact, it is a tool that should be shared with CARE monitoring and project management staff, if it has not already been shared.

2. *The uses and usefulness of Mercy Corp's monitoring and evaluation system*

As further testimony to the effectiveness and usefulness of Mercy Corps' monitoring and evaluation system, a Team member was provided a copy of a monthly report that had been produced in January 2003 along with a quarterly report that had been produced in May, 2003. The two reports were strategic monitoring reports which periodically track, in a systematic way, positive or negative examples of progress to broader strategic Intermediate Results (IR) level indicators such as "communities able to resolve problems by themselves".

As an example, the report produced in May contained a "positive change" indicator which showed that lots of pre-school agencies in Shida Kartli had gotten involved in an inclusive education initiative sponsored by a local CIG, an unexpected development that reflected an unintended impact of the community mobilization program there. In fact, Team members had already been apprised of this unexpected development during their visit several days earlier to a rehabilitated kindergarten school in Shida Kartli, that had been the beneficiary of a grant from Mercy Corps, demonstrating that the system is effective in tracking pertinent impact on a timely basis.

The Team was also informed of an effort being made by Mercy Corps to develop a means to be used at the end of a third phase project to monitor the empowerment impacts of East-GCMI mobilization activities. The Team had noted in a recent report to Mercy Corps on the "empowerment impacts" of the East-GCMI project prepared by Kate Hamilton, a consultant from the Institute of Development Studies at the University of Sussex in the UK, that Mercy Corps staff had identified an information gap with respect to the qualitative impact the GCMI program is having. While asserting that it is still too early in the implementation of the GCMI program to assess the long-term qualitative impact of program activities, she indicated that the most profound impacts being achieved through GCMI are most probably at the level of changed attitudes and self-perception as agents of change. Given the nature of the Georgian context, these attitudinal shifts are viewed as an extremely important achievement and, in the Team's view, worthy of being documented.

3. *The organization and management of its data collection mechanisms*

The data collection mechanisms that are being managed by East-GCMI staff are well organized and well managed. Project M&E staff are well trained. Additional M&E training is needed, however, for staff members in field offices and any newly hired staff. Such training should be provided as soon as circumstances permit.

Mercy Corps has also established data collection mechanisms for financial reporting and project progress tracking purposes. The Team's review of the Semi-Annual Report East-GCMI published recently covering the period October 2002 - March 2003, indicates that Mercy Corps has established and is maintaining comprehensive and efficient quantitative data systems to keep track of the implementation of both NGO sub-grant projects and CIG micro-projects.

Team members have brought to the attention of Mercy Corps senior staff some technical improvements that might be made with respect to its in-house financial reporting procedures.

4. *The effectiveness of program implementation, including the management of sub-grants in each of the three East-GCMI components*

The various and varied field visits undertaken by the Assessment Team to East-GCMI project sites in eastern Georgia, in addition to the interviews conducted by the Team with the members of CIGs; Local NGO staff involved in the management and implementation of projects that were funded in part through funding grants from Mercy Corps; and meetings with the members of CIGs, attest to the effectiveness and soundness of program implementation in the community mobilization and NGO service delivery sub-grants components of the East-GCMI project. Team members were well briefed on the particulars of project activities, and were allowed to ask questions of the participants in these various meetings, site visits and interviews, in the absence of Mercy Corps staff. There were no memorable instances in which the program implementation and management performance of Mercy Corps staff were called into question.

However, in reviewing the Mid-Term Evaluation Report conducted by Mercy Corps (September 27, 2002), the Team noted that many of the problem areas identified nine months earlier are still significant problem areas; namely, there appears to have been little integration or interaction by the Social Policy Initiative Group (SPIG) or the Social Policy Working Groups (SPWGs) with the CIGs or NGOs supported by Mercy Corps. In addition, within regions there is very limited awareness among SPWGs of the CIGs and NGOs and very little, if any, priority given to contacting them or attempting to work with them.

Secondly, the disharmony that has apparently emerged between Mercy Corps and Horizonti as regards the implementation of the third component of the GCMI program, involving the advocacy and training operations of the Social Policy Initiative Group, has been discussed in some detail by Team members with representatives and staff of both Mercy Corps and Horizonti. The Team views this as a matter of considerable importance to achieving the main objectives of the GCMI program and one that will be of even greater importance once the new USAID strategy is put into operation. The Team believes therefore that USAID should consider taking the lead in determining the means by which this matter might be resolved. Some suggestions as to how these issues might be resolved are set forth in Section V.D. below.

With regard to the 'disharmony' issue, Mercy Corps has acknowledged that its involvement in terms of ensuring financial and administrative compliance has been, by all accounts, a new experience for Horizonti, having been told by them on a number of occasions that no previous donor has been so involved. One reason given by Mercy Corps for keeping the USAID mission informed of things has been so that they could advise Mercy Corps if they felt its level of involvement was inappropriate. As Mercy Corps has not to date received such advice, it has proceeded to work on the assumption that the financial and administrative oversight (particularly that provided by the Mercy Corps' Country Director and its Mercy Corps Director of Finance and Compliance) has been reasonable and has demonstrated due diligence on the part of Mercy Corps.

Mercy Corps has further indicated that it has been open to any and all programmatic developments and has consciously sought not to interfere with the responsibility of a major sub-grantee, even on occasions when they were not in full agreement. To encourage program efficiency and effectiveness they have always involved Horizonti staff in their planning/review meetings at both national and regional level so as to maximize the potential for synergies, and to

make sure that all parties understood what the other was doing and how different activities can/should be linked.

In support of the foregoing comments, USAID has noted that while implementation of the social policy component has clearly not as yet been a success, it is difficult to see how the structure of using a sub-contractor (Horizonti) under a prime contractor (Mercy Corps) contributed to the problem. In brief, there does seem to be confusion as to what constitutes social policy and advocacy at the local level, and this lack of agreement has been made worse by problems with the staff of the Horizonti organization who, at one point, had objected to fulfilling their contractual reporting requirements.

5. *The effectiveness of Mercy Corps' management structures, monitoring processes and grant awarding mechanisms in achieving program objectives and intermediate results*

From the perspective used above in assessing CARE's management structures, monitoring processes and grant awarding mechanisms, the Team considers that although the approach being taken by Mercy Corps is slightly different from that being taken by CARE, it sees the East-GCMI component as achieving the GCMI program's overall objective and requisite intermediate results to basically the same degree as CARE. Mercy Corps management structures like those of CARE cover the areas of program impact both geographically and programmatically. They also cover them in terms of the economic, humanitarian and social problems and issues that need to be addressed and resolved.

Secondly, like CARE, Mercy Corps is achieving the project's overall objective and intermediate results effectively by (1) allowing CIGs to identify their own priorities as to their assistance needs and to act on them, thereby enabling the CIGs to meet their own needs and to participate more actively in the economy; (2) by using local staff and local NGOs to help implement project activities, thereby increasing the capacity of the community organizations to deliver health and other services; and (3) by ensuring that beneficiaries are being directly impacted by project activities, thereby achieving the overall objective of the program which is to effectively reduce human suffering in target communities.

Task C: Appraise the East-GCMI Program and its three components, to determine whether it appears to be an appropriate vehicle for achieving the draft SO 3.4, especially the draft IR 3.4.1

1. *The interventions that are the most critical and that have been effective in achieving program objectives and intermediate results*

As with the West-GCMI project, the most critical interventions in the East-GCMI project being implemented under the aegis of SO 3.1 and its attendant IRs have been community mobilization; the coalitions mobilized among CIGs and local NGOs to undertake joint initiatives; community-based micro-small projects; the rehabilitation and construction of economic and social infrastructure; and the relief provided to the most vulnerable segments of the population. However, the social policy advocacy component of the Program, which devolved to the management responsibility of Mercy Corps did not function as well as had been anticipated during the first two years of operation. Accordingly, the approach being undertaken to implement this component of the project will need to be restructured. A more detailed

assessment of the problems being encountered in this component are discussed below in Section V.D.

The social policy development and advocacy objectives of the component are sound and will continue to be critical to the achievement of GCMi program objectives under the new Mission strategy once it is put into effect. In fact, the Team believes that it will be even more critical to the achievement of the objectives of the SO 3.4 and its attendant IRs, and several other SOs that could become more heavily engaged in grass roots community-level social development and advocacy initiatives.

2. *The opportunities for integrating program components that could result in greater program impact under the draft SO 3.4 Results Framework*

The Assessment Team has reviewed the draft SO 3.4 Results Framework. There are indeed opportunities for integrating program components that could result in greater program impact under the SO 3.4 Results Framework, specifically those related to democracy and governance, economic development, and resource conservation activities.

A key step that would help to integrate project components would be to expand the use of NGOs to train CIGs. Abkhazeti CHCA trained 60 CBOs. A second key step would be to expand the use of sub-grants to NGOs to mobilize communities and develop projects. Also, it would be useful to integrate Social Policy Initiative Groups (SPIGs) and advocacy activities more closely into GCMi community level activities

A more comprehensive set of integrative activities that could be initiated and that would result in greater impact in future years is included below in Section V.C.

3. *Unexpected but important benefits or impacts that emerged from the community mobilization process*

The penchant of CIG members to want to accelerate the process of participating in more sophisticated community development activities, while not unexpected, is viewed by the Team as an indication that the implementation of the community mobilization and development process in some communities could be accelerated. From its field visits and CIG interviews, Team members have concluded that the latent managerial and technical skills of community participants in GCMi activities are probably not currently being utilized to their full potential.

From its perspective, Mercy Corps has indicated that given the uncertainties that prevail during the initial stages of community mobilization as to terms of trust/ownership etc., it is better to err on the side of caution and allow a CIG to develop at a natural pace (which may include several blind alleys) so that the structure/leadership which does emerge is one which has the trust and confidence of the whole community. From a programming point of view, Mercy Corps sees the increasing sectoral focus of its local NGO grants component as reflecting the knowledge gained from issuing a large number (179 to date) of grants thereby getting an accurate picture of which sectors can be effectively supported in pursuit of East-GCMi's overall objectives.

4. *The appropriateness of the selection criteria used to identify and reach target communities*

The Team's review of documentation provided by Mercy Corps, indicate that the selection criteria used by them to identify and reach target communities are systematic and comprehensive. Target communities are identified at the level of local administration, meaning the sacrebulo in rural areas (an administrative unit comprising between two and five villages), districts within Tbilisi, and whole towns elsewhere. They are selected on the basis of willingness to participate, which is assessed through preliminary meetings between Mercy Corps staff and community representatives, and include some officials. During this initial assessment period Mercy Corps staff make several visits and hold a range of focus group discussions in order to both learn about the situation in each community and to identify key informants. These are then charged with proposing who can best represent the spectrum of community interests at the APM, information which is triangulated with lists generated from other sources before actual invitations are issued.

Once communities are selected they participate in an Action Planning Meeting (APM), which uses a participatory methodology to generate lists of community problems and resources, develop project ideas and prioritize them. In rural areas projects are identified for individual villages and/or for whole sacrebulo, and in some cases projects take place simultaneously at both levels. The sacrebulo-level APM selects the sacrebulo-level CIG but devolves down to the individual communities the re-verification of priorities and selection of their own CIGs for their own projects. In urban areas projects may be identified for specific institutions (commonly schools and kindergartens) or sub-districts or communities (e.g., residents of specific streets or buildings). Thus a more specific participant community is implicitly identified for each project proposed.

Once selected, the highest priority project is then taken forward to a meeting with the specific participant community, at which they verify that this is their shared priority, and elect a Community Initiative Group (CIG). The CIG then becomes responsible for developing a project proposal, including a detailed budget, with assistance from Mercy Corps staff, again verifying it at a community meeting before submitting it for approval.

Initial projects must include a contribution from the community of at least 25 percent of the overall budget, and the maximum amount available from Mercy Corps is \$6,000. In subsequent rounds the required contribution rises to 50 percent, then 75 percent, and any community can carry out a maximum of three projects. Mercy Corps' maximum contribution remains fixed.

The community contribution can take the form of money, materials, labor and services, and usually involves a combination of these. A key CIG responsibility is to mobilize this contribution during the project's implementation. They must also manage the whole project process, and keep all records.

During first round projects, CIG members receive relatively intensive support and training from Mercy Corps, to enable them to develop good proposals and make realistic plans. In subsequent rounds CIGs are able to perform these tasks more independently, though CIG members continue to participate in training related to wider issues and skills such as leadership and advocacy. Project selection for the second and third rounds often emerges naturally from the priorities from

the priorities established at the initial Action Planning Meeting but at a minimum another verification meeting is held to ensure that the proposed project is still supported by the community as a priority.

In addition to the trainings listed above for CIGs, Mercy Corps has also carried out Conflict Management, Group Work and Civil Society trainings as part of developing broader skills within those groups with which they work.

Because of the systematic and comprehensive approach taken by Mercy Corps in identifying target communities and in helping these communities to develop project ideas and to prioritize them, the framework, assumptions and design of projects match the participating beneficiary community's priorities and needs and the resultant program of interventions and activities generally meets the needs of beneficiaries.

5. *The adequacy of the results achieved in terms of the resources invested*

At present, the Mercy Corps program is well integrated in the Mission's current strategy (2000-2004) in that it addresses the SO 3.1 goal of reducing human suffering in target communities by generating the active participation of vulnerable groups in the economy, by increasing the capacity of targeted communities to deliver health and other services, and by charting a course for vulnerable communities which will enable them to meet their own needs.

For the future, Mercy Corps is planning to encourage communities to plan post GCMCI activities using local resources, advocating with the government and working with other groups and organizations in their areas to apply for other sources of funding.

4. *The Team's Conclusions and Recommendations As They Relate to the East-GCMCI Program*

Having undertaken a comprehensive assessment of the results achieved by Mercy Corps in managing the East-GCMCI project, the Team has concluded that Mercy Corps has been effective in mobilizing communities in East Georgia and has established good financial and project implementation monitoring systems. Mercy Corps has been effectively managing a sizable sub-grant component since the first year of GCMCI program operations. In addition, it has demonstrated its capacity to implement multi-sector interventions involving a coalition of CIGs and Local NGOs at the district level, and has also demonstrated that it has the capacity to undertake and manage interventions that will include group lending and micro-finance operations. The social policy component of the GCMCI program, which has had mixed operational success over the past two years, is managed by Mercy Corps in partnership with CARE

Based on its assessment of mobilization experience to date, the assessment team believes that, eventually, the CARE CBO model and the Mercy Corps' CIG model will be universally recognized throughout Georgia as necessary though separate vehicles for mobilizing communities and for undertaking community-based initiatives. In effect, community mobilization initiatives should include both CBO and CIG organizational components: CBOs to anchor activities in the community, and to facilitate inter-community coalitions for region-based

development and advocacy activities; and CIGs to facilitate project development and implementation activities.

Mercy Corps has noted that whereas its pilot project with ACDI/VOCA did demonstrate its competencies with respect to group lending and micro-finance operations, and was successful in purely economic terms for the groups, which received loans, they are not entirely confident it achieved the parallel social aims. Also, while Mercy Corps, as an agency, has a widely acknowledged competency and successful track record in economic development activities it has not been asked to focus on this under our the current SoW in Georgia.

Mercy Corps has also noted that in addition to its current capabilities to initiate economic development projects, it would also be able to quickly utilize the agency's strengths in any extension of the East-GCMI project in accordance with a revised SoW. As mentioned previously, they have created considerable economic gain for communities in East-GCMI and are in the process of developing direct economic development projects while remaining mindful of the balance between a public asset creating private gains without having a system for distribution of the benefits to other groups who might have been unable to take part directly in the economic activity.

5. *Regarding the proposed extension of the East-GCMI Project*

Recommendation: To the extent that future USAID/Georgia community development activities require the management capacities, expertise and experience that has been demonstrated by Mercy Corps to date, the Assessment Team recommends that the East-GCMI Project be extended.

6. *Regarding the selection criteria used by Mercy Corps to identify and reach target communities*

As noted earlier, the Team's review of documentation provided by Mercy Corps, indicate that the selection criteria used by them to identify and reach target communities are well framed, systematic and comprehensive. Team interviews with CIGs and NGOs in East Georgia confirm that the selection criteria are being applied systematically and have facilitated the process of matching the participating beneficiary community's priorities and needs and has led to the implementation of interventions and activities that generally meet the needs of beneficiaries.

Recommendation: The selection criteria have facilitated the process of matching the participating beneficiary community's priorities and needs and should be shared with CARE.

7. *Regarding the monitoring system that was set up by Mercy Corps to provide a systematic and continuous assessment of the progress of a project over time*

The monitoring system that was set up by Mercy Corps to provide a systematic and continuous assessment of the progress of a project over time also enables project staff to confirm that activities are achieving the objectives of the overall East-GCMI program and its component parts. Having been briefed in some detail on the workings of the system and its tested usefulness, the Team considers it to be an innovative and valuable tool that enables project monitors to get

behind the numbers in determining whether GCMi program activities are indeed contributing to the achievement of program objectives.

Recommendation: It is a tool that should be shared with CARE monitoring and project management staff, if it has not already been shared.

8. *Regarding the disharmony that has apparently emerged between Mercy Corps and Horizonti*

The disharmony that has emerged between Mercy Corps and Horizonti as regards the implementation of the third component of the GCMi program (Social Policy Initiative Group) is impacting adversely on the achievement of the objectives of this component of the program. The Team was told that a number of discussions were held this past year regarding this problem, and that it was largely delay on the part of Horizonti in addressing the problem, combined with its unwillingness to provide proper financial reporting, that led to the delays in implementation.

Recommendation: The Team recommends that USAID consider taking the lead in determining the means by which this matter might be resolved. An alternative means of addressing social policy issues at the community level would be to attach social policy advisors directly to the CARE and Mercy Corps community mobilization teams, enabling them to work in tandem in addressing both the social policy needs of a community as well as its physical rehabilitation needs. Both CARE and Mercy Corps have the skills and abilities to effectively utilize technical assistance. Social policy advisors should be considered no different than other technical assistance experts. However, both CARE and Mercy Corps need the control of these resources at the regional level, in their field offices, working in conjunction with their community mobilization staff. Working through the Horizonti office in Tbilisi adds a layer of bureaucracy which has slowed down the social policy initiative to a crawl. Whereas Horizonti field staff may have the requisite skills, they should work closely under the direction of CARE and Mercy Corps field staff.

9. *Regarding the use of NGO sub-grants to perform the mobilizing function*

The Team indicated earlier that a key step that could be taken by Mercy Corps that would help to integrate project components would be to expand the use of NGOs to train CIGs. Abkhazeti CHCA has trained 60 CBOs. A second key step would be to expand the use of sub-grants to NGOs to mobilize communities and develop projects.

Recommendation: Mercy Corps should investigate utilizing NGO sub-grants to perform the mobilizing function (as well as retaining their own staff). Mercy Corps should also consider establishing a grants officer function that is separate from the mobilizing function.

In responding to this recommendation, Mercy Corps has indicated that it considers the suggestion to separate the mobilizing and grants officer function as a point well taken. At sub-office level in Mercy Corps both the Sub-Office Manager and Sub-Office Finance and Administration Officer have oversight of the financial reporting of CIG grants within that region. It may be better to reinforce this system as opposed to adding a new post. Mercy Corps' current Grants Officers have a somewhat different role in that they work exclusively with local NGO sub-grantees.

Similarly, USAID questioned whether the team understood one of the differences between the CARE and Mercy Corps approach: namely that CARE has a grants officer who handles CBO grants and NGO grants, whereas Mercy Corps has a grants officer who handles only NGO grants. The sub-office managers and finance/admin officers handle the CIG grants. USAID further suggested that if, in the Team's view, that creates a vulnerability, it should have been spelled out in the report. [In response, the Team wishes to note that its view has been spelled out in Section IV.A.]

Mercy Corps has also noted that while the team's recommendation regarding NGO's mobilizing is also well taken, Mercy Corps feels that it does not do justice to the fact that, apart from the first round RFA, Mercy Corps has explicitly expected all local NGO sub-grantees to involve/mobilize the community as part of their project. This is evidenced in the high levels of matching contributions in local NGO sub-grants and the significant involvement of communities in project implementation. Moreover, local NGOs are much more aware of the need to mobilize and work with communities during the project cycle. Although East-GCMI does not contract out specific mobilization responsibilities to other agencies, it feels that the way in which its many local NGO sub-grantees work is strong evidence of a successful mobilization approach. Approximately 40% of NGO sub-grants are for 'rehabilitation-type' projects, which communities have requested assistance with, and Mercy Corps consider these to be successful examples of community mobilization carried out under East-GCMI by organizations other than Mercy Corps.

IV. THE COMMONALITIES AND PROS AND CONS OF THE TWO APPROACHES, AND SOME RELATED SUGGESTIONS

Whereas the West and East GHCI projects have slight differences in their approaches to developing and implementing community development initiatives, there are also commonalities. Both CARE and Mercy Corps have developed effective training modules that are used to train staff in mobilization techniques, as well as training models that the mobilizers follow when working with communities. Key aspects of the mobilization process as identified by the Assessment Team include:

- ▶ **Restoring trust:** In Georgia today, trust is both one of the most highly valued, yet also one of the binding linkages most often missing in dealings between individuals, and groups. During the "restructuring" period that followed the collapse of the Soviet Union, trust in institutions was almost totally shattered, leaving in rural Georgia a multitude of communities that provided fertile ground in which the seeds of trust needed to be planted anew.
- ▶ **Engendering a sense of responsibility:** From the very beginning, during the initial mobilization sessions, the residents of the community are handed the responsibility for making their own decisions. Little do they realize at this early stage of the mobilization process that taking on the burden of responsibility is a critical requirement, and one that will need to expand as community projects are initiated, funded and brought to completion.
- ▶ **Instilling a sense of ownership, pride, and self-reliance:** Communities not only ultimately come to own the projects that they have initiated (refurbished school buildings,

clinics, bridges, irrigation systems, potable water systems, etc.), they also own the process of developing project ideas, implementation plans, and the entire development cycle. During the inauguration ceremonies at the completion of an activity, GCMC does not turn a project over to the members of a community, the mobilized community team that managed the activity turns the project over to the wider community. In hundreds of communities throughout Georgia, these ceremonies are being marked as a significant event that confirms finally, that their communities are now on the rebound after a long and disappointing fall from their former status.

- ▶ **Investing in people:** GCMC mobilizers invest in people, both the individuals who will form the management structure of a CBO, as well as those who live in the communities in which they work. It is not uncommon for GCMC advisers to make 3-5 visits to a community prior to initiating the formation of a community group that will undertake projects.

Investments in people are made in various ways, through:

- ▶ **Training:** Community members interviewed by the Team throughout the assessment named training as one of the most valued products of becoming involved in GCMC. The participatory training process that is used is completely unique and new to virtually all of the community members involved in the process (frequent comparisons were made between former Soviet models and those used by GCMC). GCMC staff members also conduct numerous training sessions, including sessions related to: community assessment; sustaining the awareness of vulnerable communities; gender issues; democratic processes (group formation); leadership; strategic planning; project planning; financial management; budgeting and procurement; and advocacy
- ▶ **Advisory assistance:** GCMC staff members serve as advisors throughout the project and provide guidance to the community groups. Great care is taken by GCMC staff to remain advisors, and not to become the outside decision makers.
- ▶ **Technical assistance:** Often it is appropriate for GCMC staff to provide limited technical assistance; however, outside contractors are usually called upon to provide specialized technical assistance in areas such as health, engineering, and agriculture.
- ▶ **Monitoring and evaluation:** GCMC staff members normally establish and maintain a comprehensive project implementation, monitoring and project completion assessment of projects undertaken by communities. These monitoring efforts reinforce the commitment USAID has made to ensure that a high level of quality of process and activity is maintained. Communities welcome the monitoring and benefit from the transparency it adds to their project activities.

CARE and Mercy Corps have taken different approaches through many of the mechanisms of conducting community development activities and physical projects. Yet despite the fact that they utilize different methodologies and structures, they both generally end up with comparable and satisfactory results at the community level. Both CARE and Mercy Corps appear to utilize management styles and procedures to continually update their operating policies and procedures.

Also, to their credit and to the benefit of USAID, both CARE and Mercy Corps are willing to learn from each other for the benefit of the larger GCMi project.

In making comparisons between the two organizations and their different approaches it is important to remember that GCMi overall is a very useful vehicle for teaching lessons, in addition to building sustainable projects. In this context, some procedures which appear more burdensome or difficult should be incorporated for the lessons that they potentially can teach. On the other hand bureaucratic burden should be removed wherever possible. Volunteers in community projects who are unpaid as well as often unemployed should spend as little time in fighting with paperwork as possible.

It was not the intent of the assessment to design operating procedures for CARE or Mercy Corps, but to offer an outside view of areas where attention might be directed by both organizations. These organizations should assess internally the comparisons and suggestions offered below:

A. MOBILIZERS, GRANTS OFFICERS, AND TECHNICAL ASSISTANCE

Discussion

The amount of work required of CARE and Mercy Corps starting from the moment a mobilizer first drives into a village to the final ribbon cutting is immense. And the dedicated staff and management of both CARE and Mercy Corps have done a superb job at bringing this process about throughout Georgia. CARE has carefully defined roles in this process: mobilizer, grants officer, technical assistance provider. Mercy Corps retains the grants function in the Tbilisi office, yet in effect the mobilizers working for Mercy Corps seem to often play all three functions. While this methodology offers some substantial benefits (a mobilizer will have intimate knowledge of a project from start to finish), it is also a recipe for staff burnout which may lead to errors in judgment.

CARE has in effect burdened their grants officers with an accounting function. Reconciliation of budgets and receipts should be the function of the accounting department. Grants officers need the time to interact with the CBO and assist in their management functions.

As projects become more complex, and as GCMi starts to serve as a vehicle to conduct interventions in other technical areas, it is absolutely critical that both CARE and Mercy Corps be adept at utilizing outside technical assistance. As mentioned elsewhere in this report, it is important that upgrading of skills occur as well. Simply reconstructing Soviet infrastructure may not be the criteria we really want to end up with.

Suggestion

Mercy Corps should investigate utilizing NGO sub-grants to perform the mobilizing function (as well as retaining their own staff). Mercy Corps should consider utilizing a grants officer function which is separate from the mobilizing function.

CARE should remove the accounting burden from the grants officers. Grant officers should perform the management consulting function with CBOs, and work with local government leaders as well as the media.

Both CARE and Mercy Corps should clearly delineate technical assistance as a separate function (this has largely been done by both already). In conducting more projects of differing types will require the quick use of technical assistance resources, and the policies should be in place in both organizations to handle this upcoming change, i.e. what are the processes for grants officers to tap technical assistance experts, how are they retained, trained, and so on.

B. MOBILIZATION AND TRAINING

Discussion

Both organizations have very strong mobilization and training philosophies and procedures. These qualities have largely been responsible for the success of both under GCMI.

Suggestion

If it hasn't been already done, and if the two different organizations feel that it would be of value (and corporate secrets would not be lost), an intensive cross-training might be useful to both organizations. The use of third party funds (World Bank, BTC) provide an excellent impetus to standardize some procedures.

Enough time has now passed that a serious reflection on mobilization and training should be gained from the "graduated" CBOs and CIGs. These members would be able to provide invaluable pointers to the mobilization and training staff of both CARE and Mercy Corps. A one week seminar where the trainers learn from the trainees would provide excellent guidance for use in future GCMI activities.

C. NGOS AND THE RFA PROCESS

Discussion

NGOs have provided very valuable services to both CARE and Mercy Corps to date. The RFA process has at times been extremely burdensome, and taken up to 4-5 months to complete. CARE appears to have used a USAID model and pushed this down to the RFA level for NGOs. Entirely too much paper is transiting desks, and worse of all, those that may not be able or willing to learn the RFA paperwork path may be eliminated from consideration. This may curtail the exact talent that we need to tap at the local level. One of our objectives is to give life to NGOs, and to-date the financial constraints on NGOs must be considered a threat and potential loss to GCMI. It is in our interest to keep a certain level of NGOs healthy for the foreseeable future.

Suggestion

Use of NGOs to construct community projects, in lieu of a CBO or CIG, should be minimized. NGOs should be utilized to provide wider services which serve the target populations and enhance the goals and capabilities of CARE and Mercy Corps. Again, what NGOs learn from the process may be as important than what they do. This will require more investment on the part of CARE and Mercy Corps into the development of the NGOs in a fashion similar to that of building the capacity of CBOs and CIGs.

Response to RFAs should require at first a 1-3 page concept paper (replacing a 20-30 page proposal). These documents should be accepted in Georgian or Russian. Upon determination that a concept fits the criteria of the RFA, the applying organizations should make a verbal presentation (a brief set of guidelines would be useful giving instructions on the use of visual aids, what to include in the presentation, etc.). Remember, we are trying to measure the validity of the NGO's concept, not in their ability to complete U.S. style paperwork. Scheduling 2-3 days to hear 6-12 presentations would likely be a better use of staff time than distributing multiple copies of extensive documents that staff would have to read on the weekends. Winners could then be selected, and additional paperwork filled out as required to fulfill technical and grant requirements. In this way, the NGOs will not have to shoulder the burden of completing long paperwork requirements on their own insufficient financial resources.

NGOs should be able to include an indirect cost category on their budget as a line item. A modest 15% level should be considered as an initial guideline.

D. CBO VS. CIG

Discussion

Note on terminology:

CIG (Community Initiative Group), this term is utilized by Mercy Corps to define the working group which comes together through the community mobilization to undertake funded projects.

CBO (Community Based Organization), this term reflects an organization which has been formally registered with the Government of Georgia, and holds certain privileges related to tax status, and requires as well a set of operational bylaws.

NGO (Non-Governmental Organization), the registration process undergone to become a CBO is the same as that of becoming an NGO. Hence, CBOs can become NGOs by formalizing the scope of activities they intend to undertake.

CARE assists community groups through the registration process to become CBOs. This official status allows the CBOs to open bank accounts, and clearly defines operating procedures for selecting a Board and elected officers. Other positions related to the completion of a community project are then determined. While the bylaws of a CBO proscribe the legal basis of the organization, and set basic standards on membership, and official decision making processes, organization into a CBO in no way guarantees nor restricts the management style or effectiveness of the CBO leadership. When conducting site visits, CBO board members, and general membership could all easily identify who was responsible for what tasks (financial management, procurement, secretary, etc.). Taking responsibility for the handling and usage of public funds is a large responsibility, especially when it is conducted by un-paid voluntary leadership. In the U.S. any organization that receives sums of \$6,000 to \$45,000 would certainly be held accountable and be required to follow some prescribed organizational management patterns. That sum of funding in Georgia represents an even larger relative investment, and often is the only public funds being spent in a village.

Beneficial lessons learned through CBO registration are many, the community group learns how to:

- complete registration procedures with the Government of Georgia
- accept legal responsibility for the operation of the CBO
- maintain and utilize a bank account
- utilize financial transfer mechanisms (to receive project funds)
- maintain balance sheets for the banking account
- utilize transparent methods in the management of funds
- provides a safety mechanism for withdrawals
- fulfill responsibilities to a group for a set assignment
- utilize democratic decision making methodologies

Mercy Corps staff expressed the opinion that CBO registration, might lead into NGO formation, and that this would not be healthy for the group. And, that this in turn would lead to unrealistic raising of expectations. However, a CBO need only exist as long as it is needed. There is certainly no shame nor failure in closing a CBO following completion of a series of activities. To open a business banking account in the U.S. requires that an organization be registered at the State and Federal level (and 80% of businesses fail). More than three-quarters of CIGs interviewed stated that they believe that they should be registered as a CBO, and would prefer to conduct financial operations through a bank account. Mercy Corps has indicated that CIGs are welcome to register as a CBO if they care to, but provide no guidance in how to do so.

Mercy Corps staff value the organic nature of leadership which arises from the more informal relationships of a CIG. After all, who knows who will become natural leaders as a community project develops, and why try to codify this at the very start of a community mobilization effort? However, the evaluation team had difficulty discerning the roles and responsibilities of members in a CIG when meeting with membership during site visits. If no one can say who is responsible for expenditures, then is there anyone really responsible? If leadership of a CIG has been co-opted by a person with a strong personality, how can that be challenged by CIG members. Mercy Corps staff devote a good (and appropriate) amount of time in working with CIGs and getting to know them. Mercy Corps also has a methodology of calling a "transparency meeting" to address conflicts of deficits that seem to be occurring. The flexibility of CIG management certainly has its many benefits. A CIG structure may be particularly valuable when working with income-generating projects (although in that case a business registration may need to be completed). Mercy Corps has learned that a joint bank account can be opened by individual members of a CIG, but this then puts the individuals personally in danger, should irregularities in usage of funds occur.

Suggestion

At a minimum Mercy Corps should assure that named individuals are elected as the representative of each of a CIGs working subgroups. And that duties are clearly developed and written (this activity to be completed by the group itself).

Preferably Mercy Corps should begin registering new community groups as CBOs (this will require Mercy Corps staff to learn the process, and prepare different management training activities). CBOs may be designed to utilize virtually any type of management system, so the benefits of the CIG mechanism gained through Mercy Corps' experience can be transferred to the CBO as well. CBO registration is akin to incorporation in the U.S., it protects the individuals

from the errors of the group. This protection could be vitally important if a legal suit were ever brought against a community group.

CARE should ensure that CBOs retain some of the flexibility now enjoyed by CIGs, particularly creating an atmosphere where CBO members may more easily exchange roles (and not simply serve out terms specified in the bylaws). Exchanging of roles within a CBO as progress is made in project 2 and 3 may offer more opportunity for members to learn additional management skills. This should be an option offered.

E. PROJECT BUDGET DEVELOPMENT AND PROCUREMENT

Discussion

The use of commodity price lists by both CARE and Mercy Corps are valuable tools in providing initial guidance in the development of projects. However, one of the most important learnings that a group might take away from the process of developing and completing a project is that of understanding the relationship of available materials to project design. The interaction between project design and available materials is a very fluid one. If a team makes a thorough assessment of markets they may find new types of materials available, and may find that there is a differentiation between quality of materials and supplies, as well as learning about new or improved tolls that might be available. Has anyone ever walked into a hardware store in the U.S. and not found that he/she had forgotten something vital to the project by seeing it sitting there on the shelf? With a commodity price list a group can sit in a room and devise an entire project design as well as a budget for it. This deprives the group of the creative process which is so much of any project design.

There is a good deal of controversy over the requirement of price quotes amongst both CARE and Mercy Corps. Competitive price quotes are extremely difficult to obtain, especially for the lower cost items. Many supplies are purchased at vender stalls, which do not even have the paper necessary to write a receipt no less a proforma invoice. At certain dollar levels, CARE requires 3 proforma invoices (which approaches impossible to receive). Mercy Corps is lowering the level required for competitive quotes (to a lower dollar level).

Suggestion

In the real business world, project budgets should be based on price quotes. Those responsible for procurement in a project should cost all materials, and utilize this data to build their project budget. Again, this provides a critically valuable learning experience, rather than building a budget based on cost estimations developed by a resident international NGO (CBO/CIG members and CARE/Mercy Corps staff gave some conflicting accounts of how the budget process is utilized). The process does not need to be painful either, but should be a positive learning experience for the procurement team of the community group. (note: some of these suggestions already mirror the mechanisms being utilized)

Level	Dollar Amount	Pricing	Reconciliation
A	< under dollar figure X (maybe 100 Lari)	Price quote recorded by procurement staff	Receipt recorded by procurement staff
B	< between dollar figures X to Y> (maybe 100 to 1000 Lari)	Price quote recorded by procurement staff, signed by vendor (<u>one</u> quote required, although the procurement team will shop around to find the best price before requesting the chosen vendor to sign a price quote)	Receipt from vendor required. or vendor signs a receipt prepared by the procurement staff
C	Over Y> (maybe over 1000 Lari)	Proforma price quote written and signed by vendor (<u>two</u> competitive bids)	Receipt from vendor required

In situation A, above, the procurement staff simply records the price when developing the budget, and simply records the price when the item is purchased, i.e. the small vendor never has to participate in developing a quote or a receipt (this is normal for most small purchases). In situation B, the procurement staff find the best price, and request the vendor to sign a price quote form which they have completed. In this incident the vendor provides a receipt, or signs a receipt form prepared by the procurement staff. In situation C a formal proforma invoice is required from two (not three) competing vendors.

F. FUNDS DISTRIBUTION

Discussion

CARE distributes funds through wire transfers to community groups; Mercy Corps arranges meetings in a room at a local bank to physically transfer cash to representatives of the community groups. In the viewpoint of the evaluator, the system of distributing cash from donor to recipient is both time consuming (not only the time at the bank, but the time in preparing documentation for the correct transfer amounts, and coordinating meeting times), and appears to be patronizing. Cash distribution reinforces the concept that the cash is in the hands of the international NGO, and the community group must make a request for money each time it is needed. Utilizing bank accounts reinforces many positive learnings for the community group as mentioned earlier. While about a fourth of the CIGs interviewed were very comfortable with the current system, the other three-quarters of CIGs would prefer to work through their own bank account. In one sense, the use of bank accounts denotes more trust, as it does, but it also is a much more traceable form of money handling.

Suggestion

All funds distribution should be done through the banking system.

G. USAGE OF INDIRECT COST, UNFORESEEN BUDGET LINE ITEMS, EXCESS FUNDS

Discussion

The budgeting process for the projects ignores two important line items, Indirect Costs, and Unforeseen Costs. An equally important budgeting matter is the use of excess funds. Again, if we are utilizing projects to teach real world learning for the community groups, these two items should be included into the project budgets.

Indirect costing is a mechanism of accounting for expenses which are either too difficult to calculate (how much electricity is required to light the meeting room), or for items which are required to maintain the health and operation of the organization, but are not related to a direct cost of materials or supplies utilized on the project. An indirect cost *is not profit*. An indirect cost can only be utilized by an organization to meet organizational goals. An indirect cost may be utilized to pay for items unrelated to the particular project it was garnered on, but nonetheless is required for the operation of the organization. Time after time the assessment team was requested by community members to suggest that monies be allowed for indirect types of expenses (in actuality these types of expenses are probably already being covered from project funds, but are melded into reporting for other direct cost items). Forcing communities to continually request special dispensation for funds becomes a burden for both the community groups as well as for CARE and Mercy Corps. In addition, providing no funds for indirect cost type of expenses may very well encourage groups to falsely report direct cost expenditures in order to utilize funds for relevant purposes.

Unforeseen budget lines are viewed differently by different organizations. One argument proposes that you should conduct your preliminary budgeting so perfectly that there never will be an occasion requiring an unforeseen line item. The other viewpoint contends that variability in either prices or needs will always occur to some extent.

Use of excess funds is viewed differently by CARE and Mercy Corps. CARE requires that excess funds be returned (which of course is like government spending every September, use it or lose it). Mercy Corps will consider requests for excess funds use by community groups if they can produce a rational plan for the funds usage.

Suggestion

Indirect costing should be included in all community projects. For community groups, an indirect cost line item percentage may be a modest 3-5% of direct costs. Use of indirect costs should be accounted for in a transparent manner, equivalent to current budget reporting procedures. However, an indirect cost would fall outside of the direct supervision of CARE and Mercy Corps, i.e. the community groups may elect to spend the money on food, or a scholarship for a student, or travel expenses, or purchase of office supplies, but the indirect cost expenditure would not need to be directly attributable to the project (rather it would be utilized for the benefit of the organization as a whole).

Unforeseen line item expenditure of not more than .5 to 1.5 percent should be allowed. The ability to move funds between line items should be continued.

Excess funds should be available to the group for retention if they can produce a logical plan for funds usage. This will eliminate the rush to purchase unnecessary materials and tools, or allows the group to plan for rational project related usage of the funds. Also, it costs far more for CARE or Mercy Corp to retrieve \$25 in excess funds, than it is worth in time and effort in the accounting process.

H. COMMUNITY GROUP OFFICIAL HEADQUARTERS

Discussion

Community groups mobilized by CARE tend to allocate a defined space where their meetings occur (at least board and officer meetings). This offers several strong benefits; a neutral space can be utilized when making formal decisions (especially the hard decisions), occupying a small office (often a vacant room in a school or government building) increases the status of the group in the community, and an office serves as a central place for collecting and maintaining documents. The evaluation team noted excellent use of these simple offices at many CARE project sites. This public place is also an ideal place to display: flip charts utilized at the original organizing meetings, before and after photographic displays of the project, continuous display of the project budget and expenditures. It also provides an ideal place to invite local government officials to when a meeting is desired, rather than having to be on the government's turf when difficult negotiations might be occurring. If demands for records are made by community members, they should be produced at the official office, and not searched out in individuals' homes.

Suggestion

Contribution of a public space, a project office, for the community group be made a mandatory working mechanism by community groups by both CARE and Mercy Corps. Use of this space also constitutes an additional community contribution to the project. Project budgets must be posted at the community group headquarters.

I. COMMUNITY GROUP WAREHOUSE

Discussion

Similar to the use of a community group office, CARE projects mandate that a "warehouse" be maintained to store project supplies. Again, this can be a simple space which can be secured for the storage of project materials. The procedure for storage of Mercy Corps materials are less defined, and may be stored at the homes of workmen, at the work site, or at CIG members' homes. Storing up to \$6,000 or more in supplies at a home may offer a temptation which some people may find hard to resist. A warehouse as well can serve a central location to store tools, so that they may always be made available to other personnel involved in the project.

The use of a warehouse again is an excellent opportunity to teach good business practices, and adds to the formality of organizational working mechanisms. CARE, although, may be again over burdening community groups with requirements to track the removal of every nail (literally) from a warehouse. Daily logs of warehouse usage may be too burdensome and result in little actual control.

Suggestion

Contribution of a warehouse space (a simple vacant room to which a lock might be added) should be a mandatory condition for a community project. Responsibilities for monitoring checking-in and checking-out supplies should be assigned. The paperwork to track the warehouse should be kept to an absolute minimum. Transparency in materials handling is as important as transparency in any other of the activities of a community group. CARE should cut back on its paperwork associated with warehouse management.

V. THE TEAM'S RECOMMENDATIONS REGARDING FURTHER USAID ASSISTANCE AND GCMi INTERVENTION ACTIVITIES

A. SUGGESTED PRIORITIES

1. Priority should continue to be given to implementing community mobilization activities

An objective of the assessment was to help USAID determine whether the GCMi projects should be extended into the new strategy period. As reflected in the successes achieved to date and as indicated above, continued attention and resources should be directed to maintaining and expanding community mobilization activities where warranted, to ensure that the needs of the country's most vulnerable and economically disadvantaged groups continue to be met.

2. There is a growing need to assess the adequacy of staff capacities, given the accelerated pace of mobilization activities

USAID, along with CARE and Mercy Corps, will need to identify specific organizational areas where additional trained administrative and technical staff will be needed. To the extent that the GCMi program remains focused on expanding the coverage of community mobilization activities as such, then more of the same kinds of staff that are currently employed, especially mobilizers and grants officers, technicians with skills in education healthcare and micro-infrastructure healthcare, will be needed. To the extent that USAID buys into using CBOs and CIGs as grass roots catalysts and agents for change who can play a major role in facilitating job creation and revenue generation activities at the grass roots level, then staff that have micro-business, micro-finance, food processing, marketing, regulatory, and experience will be needed. This not to say that GCMi staff would be involved as principals in these areas of employment, their function as noted above would be to serve as catalysts and agents for change in behalf of the communities that they represent.

3. Ways need to be found to enable CBOs and CIGs to facilitate job creation and the exploitation of legitimate income generation opportunities at the grass roots level

Job creation and the identification of legitimate income generation opportunities appear to be the two greatest needs of beneficiaries that the current program has not met. Apparently, only 50 jobs have been created to date since the inception of the GCMi program in West Georgia.

B. IMPROVEMENTS AND POSSIBLE SYNERGIES THAT MIGHT BE ACHIEVED

Given, as noted above in Section III.C.3, that several USAID SO teams will be sponsoring interventions at the grass roots community level under the new assistance strategy that is to be implemented by USAID during FY 2004-2008, the Assessment Team believes that it will be important for the SO teams to develop a coordinated set of sector program strategies to ensure that their respective interventions are adequately coordinated.

In this event, effective coordination could be accomplished through the establishment of a coordinative group that would meet periodically to review and discuss the development and proposed implementation of community level interventions, and that would include representatives of the SO teams engaged in these interventions. To ensure that the interventions are well coordinated would likely also require the development of a relevant set of consolidated region-specific and sector-specific Results Frameworks that would show what is to be done where within a specific multi-year timeframe.

Additional discussion of the ways that links might be established to coordinate GCMI efforts with other USAID activities is contained below in Section V.C.

The circumscribed geographic regions and sectors to which USAID resources are to be directed in the future should be identified along with the location, sector, and institutional points of entry and the specific kinds of interventions that are to be undertaken.

The specific kinds of interventions to be undertaken should include, for example, location-and sector-specific proposals to undertake the rehabilitation or construction of public facilities such as health care, education and vocational training, farm to market transport, water supply, and sewage disposal systems,

Interventions should also be undertaken that will enhance the capacity of communities and district-level coalitions of communities to help stimulate micro-enterprise and business development activities and thereby generate increased jobs, and expanded income and revenue generation opportunities.

C. THE TRANSITION FROM HUMANITARIAN AID TO DEVELOPMENT ASSISTANCE

The team's appraisal of the GCMI Program and its three components (community mobilization, NGO service delivery sub-grants, and the Social Policy Initiative Group), to evaluate the team's thinking as to whether it appears to be an appropriate vehicle for achieving the draft SO 3.4, especially the draft IR 3.4.1.

Discussion

The assessment team was requested to take a look at the potential future role of GCMI. GCMI originally was designed as a humanitarian aid effort, especially in response to IDPs (internally displaced persons), ethnic minorities, and particularly vulnerable populations which had fallen outside of the reach of other humanitarian efforts. The success of the early efforts of GCMI has

given rise to the concept that GCMC has the potential of playing a larger and sustained role in USAID's development efforts in Georgia.

The transition from SO 3.1 to SO 3.4 in essence will be a transition from humanitarian aid to development assistance. In some respects GCMC has accomplished much of the community mobilization ground work necessary to make the transition. It is substantially less difficult to garner excitement and participation, i.e. to mobilize communities, when there is the potential to realize grant awards (up to three grants beginning at \$6,000 to up to \$15,000), than to encourage communities to mobilize which do not have access to grant awards. The economic and political collapse of Georgian society has made the interventions under SO 3.1 even that much more valued and important. However, it is certainly not too early to begin examining the means by which the transition to a more self-sustaining pattern of local development might occur in the future.

Suggestion

It is critical that follow-on activities with mobilized communities continue to occur. Both CARE and Mercy Corps should define what possible follow-on activities might occur with CBOs/CIGs following the implementation of grant activities. These follow-on activities would be designed to promote the continuation of community mobilization activities without direct USAID grant contributions. These transitional activities could include:

- ▶ **Income Generating Initiatives**, since CBOs/CIGs already have many of the aspects of a "cooperative", activities where this type of cooperation could be turned into income generation for the community group should be examined. Possible examples include: cooperative marketing of agricultural products, or the marketing of technical skills gained through completing the projects (often construction related).
- ▶ **Small Business Development**, operating a small business is much different than managing a CBO/CIG. However, through successfully accomplishing projects in the community there often appear individuals or groups of individuals who are particularly adept at the business management and leadership functions required for small business operation. Training opportunities and other interventions for these individuals should be sought.
- ▶ **Revolving Loan Schemes**, CBO/CIG members have proven skills in the handling of financial resources, budgeting, procurement and other business related skills which would make members ideal candidates to participate in revolving loan programs.
- ▶ **Local Fee/Tax Assessments**, CBO/CIG members recognize how financial resources are critical to promoting the public welfare (through the projects they created). This recognition, the ability to work with finances in a transparent manner, and the desperate need for infrastructure rehabilitation offers an excellent opportunity to introduce both local taxation and fee collection for needed community services. The team observed several instances where fees were now being charged for maintenance of GCMC financed projects: fees for potable water supply, fees for electricity generated by small hydroelectric projects, fees for the maintenance of a television antennae, fees for irrigation water.

D. INTEGRATION OF GCMi INTO USAID'S DEVELOPMENT EFFORTS UNDER THE NEW SO 3.4

Discussion

Integration of GCMi is an issue internal to USAID and the various SO teams which are, and will in the future, gear their initiatives to providing assistance at the local community level. "Integration" refers to how USAID and its development partners (contractors and grantees) incorporate both the lessons gained by GCMi, and the operating networks of CBOs, CIGs, and NGOs into the overall development goals of the U.S. Government in Georgia. The investment made by USAID and the work conducted by CARE and Mercy Corps at the field level have been successful and highly effective. As stated throughout this report, the mobilization efforts of CARE and Mercy Corps are sound models of well structured community mobilization, and are making a tremendous impact in the improvement of social capital (the ability of people to identify their own needs, prioritize these needs, and commit voluntary management and labor to oversee the completion of vital social and infrastructure projects). In each of the 444 communities (mobilized at the time of this assessment) there now are community organizations (CBOs and CIGs) which are the most effective, and experienced centers of communal and public leadership existing in the community. The assessment team found numerous incidences where the local elected and appointed leaders in the community are now seeking out the CBOs and CIGs to learn about leadership, management, financial procedures, and in essence; how to work with people through a democratic process.

USAID initiatives which may benefit from the groundwork already completed under GCMi include:

Economic Growth

- Agriculture Product Development
- Land Market Reform

Energy and Environment

- Energy Efficiency, Conservation and Water Management

Democracy and Governance

- Local Governance
- Political Parties and Elections
- Civil Society

Community Development & Health

- Self-Reliance
- Crisis Assistance
- Health Care
- Reproductive Health
- Winter Heating Assistance

Cross-Sectoral Activities

Suggestion

For SO teams ignore or fail to capitalize on the base of leadership and working community organizations initiated under GCMI would be both a waste of resources; and more importantly would be counterproductive to the success of other initiatives geared toward local level activities. Integration of GCMI into other USAID initiatives will not be an easy task, due to the usual challenges of territoriality, competing objectives, and human nature. The assessment team suggests that the following approaches be considered to help ensure integration:

- Ensure that entrée to local communities is made through existing CBOs and CIGs. These organizations are dynamic in nature, have the capacity and knowledge of mechanisms to reach out to the broader community, and are viewed as the trusted partner to USAID. While other initiatives of differing SO teams may not require the specific talents or the operating mechanisms of a CBO or CIG, to enter a community without tapping into these groups would fail to capitalize on the infrastructure already in place in these communities.
- Ensure that overtures to local government entities are made through existing CBOs and CIGs. Gaining introduction to local government leaders through CBOs and CIGs will enhance transparency in dealing with local government officials, and boost the status and esteem of both the CBOs/CIGs, and USAID. If we reinforce top-down operating mechanisms by going to local governments and ignoring the communities we have already mobilized, we will be doing ourselves a disservice.
- Where SO teams desire to initiate activities in communities where no CBO or CIG has been formed (in an unmobilized community), either CARE, Mercy Corps, or NGOs trained in the mobilization methodologies should be contracted to perform an initial series of mobilization workshops. CARE has established a large cadre of trained NGO community mobilizers who excel at mobilization techniques. Several of these NGOs have the reach to cover both the eastern and western portions of Georgia.
- Where local level efforts are planned, CARE and Mercy Corps staff should be included as much as possible in planning interventions.
- Develop a GIS based database capable of tracking both the impact made through GCMI, and to serve as a resource to assist other SOs identify key resources in communities. A comprehensive database of mobilized communities, those serving in leadership and managerial functions, and the activities they have undertaken does not exist. The impact is so extensive throughout Georgia that this task is becoming larger than either CARE or Mercy Corps can efficiently manage. Also, CARE and Mercy Corps will soon find it a burden to communicate to other SO teams regarding their activities, contact data, and local resources developed through GCMI. This separate activity should preferably be contracted locally to a GIS firm which has the capability to not only produce the maps of GCMI activity areas, but to also conduct database inquiries which may be needed by the various SO teams (i.e. correlate incidences of hepatitis to CBO/CIG mobilized communities, to health projects already undertaken). Leaving this data in the hands of CARE and Mercy Corps alone would most likely ensure that the data would be lost after the GCMI project is completed.

Learning From GCMI for Broader Public Works Interventions

Discussion

Public Works interventions on a larger scale are required in Georgia to reestablish road systems as well as the services expected by communities: solid waste disposal, sewerage disposal, electrification, potable water, education and public health. Again, the lessons learned through GCMI and the cadre of mobilized communities offers both a model of how to work with communities on identifying their priority needs but also may offer models of recruiting and employing both non-skilled and skilled labor forces for implementing public works.

Suggestion

The following aspects of GCMI may prove valuable lessons as more formalized public works activities are undertaken:

- ▶ **Costing of Projects**, The costing mechanisms developed under GCMI are valid for use in larger infrastructure projects. Involvement of community members in the budgeting cycle ensures transparency.
- ▶ **Use of Skilled Labor**, The hiring and supervision of skilled labor under GCMI has been very effective and can stand as a model for other public works projects. One of the essential factors is that skilled labor is hired on a job-by-job basis, i.e. there is no need to hire a cadre of professionals and maintain them on staff for long periods of time if there is no work to undertake. In public works programs, hiring of laborers for short blocks of time (4-6 months) may serve several purposes: a revolving stream of laborers will gain new experience (and income generation), non-performing workers can be readily identified (and will not receive extensions of their short-term contracts), and labor will be accessed locally rather than imported from other communities in Georgia.
- ▶ **Technical Assistance (Engineering & Construction)**, GCMI should make a general policy to rely on outside technical assistance, particularly where engineering design and safety issues are critical, i.e.; repair of two story buildings, electrical wiring for communities or of machinery, water and sewage works, irrigation and drainage projects, and road works. A critical flaw in any of the above mentioned areas could cause unintended physical injury.
- ▶ **Technical Assistance Training (Engineering & Construction)**, Although some excellent examples of construction skills were observed, some project workmanship was of inferior quality. There exists a huge potential for including technical training in all areas of the skilled trades (carpentry, concrete, wall coverings, electrical, flooring, lighting, windows & doors, insulation, masonry, mechanical, painting, plaster, plumbing, roofing, site work, sheet metal, welding). Architecture would also be a welcomed area of study and application.
- ▶ **New Construction vs. Rehabilitation**, The basis of most projects to date has been "rehabilitation". Construction of totally new facilities should be considered in the future.

- ▶ **Training**, community members interviewed throughout this evaluation named training as one of the most valued products of becoming involved in GCMC. The participatory training process is completely unique and new to virtually all of the community members involved in the process (frequent comparisons were made between Soviet models and those used by GCMC). GCMC staff conduct numerous training sessions, including sessions related to:
 - community assessment
 - awareness of vulnerable communities
 - gender issues
 - democratic processes (group formation)
 - leadership
 - strategic planning
 - project planning
 - financial management
 - budgeting and procurement
 - advocacy

- ▶ **Advising**, GCMC staff become advisors throughout the project and provide guidance to the community groups. Great care is taken by GCMC staff to remain advisors, and not to become the outside decision makers. Often advice and reassurance is required as people progress through their first project activity. Over time the capacity of the community members in all facets of leadership grows, and the requirement for advising is reduced.

- ▶ **Technical Assistance**, Often it is appropriate for GCMC staff to provide limited technical assistance. However, outside contractors are called upon to provide specialized technical assistance in areas such as: health, engineering, or agriculture.

- ▶ **Monitoring and Evaluation**, GCMC staff conducts a thorough process of implementation monitoring and project completion assessment of projects undertaken by communities. These monitoring efforts reinforce the commitment USAID has made to ensuring that quality of process and activities is maintained. Communities welcome the monitoring and benefit from the transparency it adds to their project activities.

E. THE NEED TO RESOLVE THE PROBLEM OF THE SOCIAL POLICY INITIATIVE GROUPS (SPIG)

The social policy initiative component of the GCMC program has failed to meet expectations. A steep learning curve in how to conduct social policy advocacy has presented itself. This is largely due to difficulty in coming to understand the following issues:

- What constitutes social policy at the local level?
- What should local level efforts towards national policy be?
- How can local communities express policy needs?
- What mechanisms can local communities use to influence social policy?
- How can common threads related to social policy be assessed across numerous communities?

Under the current administration of social policy by two separate contractors: Mercy Corps as the prime, and Horizonti as the sub-contractor, the Social Policy Working Groups (SPWGs) are negatively impacted. Members of SPWGs mentioned to members of the Assessment Team the following negative impacts:

- Long delays in approval of proposed activities (up to four months);
- Shifting of priorities and directions,
- Confusion as to roles and responsibilities,
- Lack of resources (taxi fares, office space, copies, operating funds),
- Excessive use of time (SPWG members are volunteers).

Mercy Corps has indicated that it has made a point of having a rapid turn-around on all requests received with regard to Social Policy or, if it needs to go for further appraisal/approval, commenting and passing onwards very quickly. Mercy Corps has also tried not to interfere with the evolving direction/priorities as long as it felt they were broadly in line with its Scope of Work and contributed to achieving East-GCMI's objectives. The evolution of this part of East-GCMI has led to changing roles/responsibilities and the confusion this evidently caused has been noted. A further question regarding roles is whether the primary point of contact for communities is SPWGs or regional Horizonti staff. Mercy Corps has always understood the primary purpose of Horizonti regional staff is to work directly with communities. As with approval time, Mercy Corps has always approved all resource requests put before it and been open to shifts in budget lines in order to address newly perceived needs. The 'workload' of SPWG members is also of concern to Mercy Corps as they feel it will create an unsustainable (and unrealistic picture of capacity) if they are engaged in the overall Social Policy effort almost full-time (and become de-facto staff members). Mercy Corps has never been involved in deciding the SPWG workload.

It appears from interviews with Horizonti and Mercy Corps that there remains a lack of agreement of what social policy, and what social policy advocacy, actually means at the grassroots level. Horizonti is focused on bringing issues to Parliament, writing and amending laws, and returning with concessions or clarifications from the national government on what social policy actions have been taken. Unfortunately these have tended to focus on what the national government pledges to do for people at the local level, yet does not have the resources to implement, i.e.: free bread for the elderly, free medical care and fresh medical supplies, clean drinking water for all, free education, and so on. Whereas, to Mercy Corps social policy includes the entire range of activities that can be undertaken and solved at the local level (sacrebulo and down).

Examples of Mercy Corps' viewpoint appear to be much more practical, and would build on the position in the community that the CBOs and CIGs have gained through doing the hard work and coordination necessary to complete their community projects. These include social issues such as: stopping bribery to local police officers, conducting HIV/AIDs campaigns for school children, educating families and their daughters on the importance of education for girls, addressing the practice of wife kidnapping, social care for the elderly or sick.

Mercy Corps feels that there are greater levels understanding between SPWGs and CIGs/CBOs/NGOs than indicated by the Assessment Team. SPWGs are composed, in the main, of people already involved in GCMI. The various SPWG sub-committees have carried out many

community-level meetings regarding various reform issues. While the output from these meetings may be in doubt they have at least generated some awareness among a fairly wide range of communities. There is also considerable exchange between their grants department and the Social Policy Unit (SPU), which has resulted in NGOs becoming more aware of Social Policy issues. In fact, Mercy Corps included a full day of training on Social Policy for all NGOs applying under its recent 'restricted' RFA. Similarly, in pursuit of greater integration, and to more widely publicize Social Policy, Mercy Corps has arranged for all of its mobilisers and grants staff to receive training in Social Policy. Finally, as part of its continuing attempts to better integrate the three components of East-GCMI, regional staff from Horizonti are encouraged to visit communities along with Mercy Corps mobilisers. In drawing from the Mid-Term Evaluation Report conducted by Mercy Corps (September 27, 2002), the Assessment Team has noted that many of the problem areas identified nine months earlier are still significant problem areas, namely:

- ▶ “There appears to be little integration or interaction by SPIG or the SPWGs with the CIGs or NGOs supported by Mercy Corps. Within regions there is very limited awareness among SPWGs of the CIGs and NGOs and very little, if any, priority given to contacting them or attempting to work with them.
- ▶ “The partners were faced with the necessity of clarifying project focus levels, i.e. national and grassroots, the meaning and interpretation of social policy and social policy change, and the meaning of advocacy and its role in the project.”
- ▶ “At both the national and local level there is a need to focus on the future; to examine and develop approaches for citizen involvement more broadly in the policy process, to initiate or support plans for expanding social policy resources and for planning for sustainable activities and programs beyond the life of the project.”
- ▶ Local level needs: Encourage and support increased emphasis on the identification of local level social policy needs and interests and their presentation to sacrebulo, district, regional and national government levels. This can help broaden the range of issues considered.”
- ▶ “Partners’ roles, responsibilities and performance: Clarify roles, responsibilities and standards of performance of the sub-grantees to reduce misunderstandings and to build trust.”

It is abundantly clear that CARE and Mercy Corps have both developed sound approaches to the process of community development through mobilization. And both of these organizations are capable of conducting physical infrastructure development projects. Social policy trainers/advisors attached to CARE or Mercy Corps mobilizers would make for an effective combination. The potential impact of mobilized communities working together collaboratively in the social policy area remains an important and viable target.

VI. SUMMARY OF LESSONS LEARNED AND BEST PRACTICES

A. LESSONS LEARNED

1. Community mobilization programs should be long-term undertakings.
2. The current practice by Mercy Corps and CARE of applying different program-element approaches provides a broader basis for determining best practices. In fact, eventually, the CARE CBO model and the Mercy Corps' CIG model should be recognized throughout Georgia as necessary though separate vehicles for mobilizing communities and for undertaking community-based initiatives.
3. The efficacy of the USAID GCMi community mobilization model has been suitably recognized. The World Bank funded Georgia Social Investment Fund (GSIF-II) will be partnering with GCMi for purposes of community mobilization under GSIF-II projects. In addition, managers of the Baku Tbilisi-Ceyhan (BTC) Pipeline Community Investment Programme (CIP) have contracted through CARE and Mercy Corps, the GCMi program's implementers to undertake CIP projects along the route of the pipeline. Moreover, the BTC/CIP was designed to use a methodology similar to GCMi.

B. ANCILLIARY BENEFITS

1. *The goodwill earned by GCMi*

The goodwill earned by GCMi is enormous. GCMi is credited with being the only development effort that invested the time and effort in developing the skills of the local communities, rather than simply bringing projects.

2. *Downstream political impact*

At least 20 members of GCMi programs have won local elections, all of whom were reportedly CBO or GIC Members.

3. *The groundwork has been laid at the local level for future U.S. interventions*

Hundreds of thousands of Georgian citizens have been directly impacted by both the projects and the democratic processes utilized, laying the groundwork for future interventions.

C. BEST PRACTICES

1. *The effective management of NGO grants*

Both Mercy Corps and CARE have run high-quality, transparent and competitive grant-making programs in a frequently challenging environment.

The financial management criteria used by CARE are widely praised by RFA bidders since they provide standards and guidelines that are straightforward and easy to follow. CARE was also

singled out as being one of the few effective donors in western Georgia due to the fact that they provide the format, direction, and backstopping necessary for a local NGO to be successful.

Under the East-GCMI project, Mercy Corps has successfully awarded 179 grants to local NGOs to date. Working through CTC and other backstopping, it has effectively monitored their performance while also paying close attention to their management development needs.

2. *The impact of GCMI on donor collaboration*

The effectiveness and impact of GCMI has been widely recognized throughout Georgia. While both CARE and Mercy Corps have been diligently working to implement their programs and have initiated some 444 mobilized communities to date, others have taken note of not just the impact of GCMI, but its implementation methodologies as well. Among those who have recognized GCMI's sound approach to community development include:

a. *The World Bank*

Through the Georgia Social Investment Fund II (GSIF-II) the World Bank will be investing \$15 million to support social infrastructure rehabilitation, include the active participation of local communities, and support small business in accomplishing the reconstruction of small-scale facilities. CARE and Mercy Corps have been selected to utilize the GCMI mechanism to conduct projects under GSIF-II. While GSIF-I made a significant impact (411 projects were completed with USAID and WORLD Bank funding; USAID, pilot phase 1996-1997; World Bank, main phase 1998-2002), many of its operating mechanisms were recognized as flawed. The World Bank sees the GCMI process as a unique one which can add value through:

- *"Promoting community interest and participation in accomplishing projects,*
- *Enhanced transparency,*
- *Decision making is in the communities hands, not the government's, this (GCMI) is a different approach,*
- *There will not be requirement for a large monitoring and control effort (CARE and Mercy Corps have effective methods already established)'*
- *We have learned that local government leaders always want one project, and the community wants another, also their requests are always too big. Care and Mercy Corps know hoe to work at the community level, so we avoid these problems,*
- *Using both CARE and Mercy Corps spreads our risks,*
- *GSIF-I was a top down program, this is exactly the wrong way to do development, but everyone does it that way. Demand should be driven from the bottom-up, that is exactly what GCMI does, and*
- *This partnership we have with USAID and GCMI is the first of its kind for World Bank, GSIF-I was our failure, it didn't have vision, marrying our project to USAID's success, it is a great idea!"*

b. *BTC (the Baku Tbilisi-Ceyhan Pipeline Operating Company) BP (British Petroleum)*

BTC has created the Community Investment Programme (CIP) with the objective of benefiting the residents of communities along the BTC pipeline. Both CARE and Mercy Corps have been

selected to implement through the GCMi mechanism a total of \$5 million in funds to implement and sustain self-help projects. BTC highlighted the benefits of utilizing the GCMi implementers as:

- *“Recognising that community development is a challenging and specialized field of work, the (BTC) approach is to provide grants to organizations who have expertise in the field,*
- *(GCMi has) a competitive advantage in implementing programmes like the CIP.*
- *(CARE and Mercy Corps) were encouraged to form consortia...with local NGOs.*
- *(the CIP three year time frame) provides continuity and allows for more extensive relationship building and capacity development within the communities.*
- *It reduces administrative costs,*
- *The first phase of activities will focus on participatory identification of quick impact projects that can be undertaken with a small amount of funds and a short amount of time,*
- *Using the first phase as a basis, a second phase of longer-term sustainable development activities will be implemented,*
- *The intention is to build trust in the CIP programme and confidence within communities that they can achieve benefits from the pipeline project.*
- *BTC will carefully evaluate the lessons learned and subsequently recommend activities that will allow for a way forward that will safeguard the achievements and allow for continued support to the communities and their members (CIP beyond 2005).”*

c. Government of Georgia, Georgia Social Investment Fund, (GSIF)

The World Bank participated in GSIF-I, and is continuing to support GSIF-II through the GCMi mechanism. The GSIF staff, a project office of the Government of Georgia, itself recognizes the benefit of the GCMi approach:

- *“GSIF-II will be demand driver, from the bottom up, utilizing the GCMi methods.*
- *GSIF-I was top down, through contracting with both Mercy Corps and CARE we will resolve that problem.”*

ANNEXES

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ANNEX A

TASK-RELATED QUESTIONS IN THE STATEMENT OF WORK

TASK A:

The team shall appraise GCMi and its three components (community mobilization, NGO service delivery sub-grants, and the Social Policy Initiative Group) in relation to the current SO 3.1.

What is the level of community satisfaction with the process the community develops and uses to make decisions and implement projects? What is the level of community satisfaction with the results they produce? What is the quality of those results?

How sustainable are community mobilization programs in terms of the processes they establish and results they produce?

Does the community have "real" and effective partnership with other entities (local authorities, NGOs)? How would we know? Are these long term or short term in nature?

What are the pros and cons in applying different program-element approaches by MC and CARE? Are there elements in the different approaches of CARE and MC that should be considered for use by the other partner?

Are there programmatic overlaps with other activities funded by USAID or other donors? Are there gaps appropriate to the activities that are not being addressed by GCMi or other programs?

How can related activities under other SOs, or those of other donors be better linked to enhance program results?

TASK B: MANAGEMENT OF THE GCMi

Has the program achieved its targets to date? If not, assess reasons for shortfalls. Do the performance indicators provide useful and reliable data on program progress and impacts?

Are Monitoring and Evaluation (M&E) data and anecdotal information used for management purposes? Does the technical staff use M&E data and anecdotal information to conduct their work and assess progress? Can M&E data and anecdotal information be better used for program management?

Are data collection mechanisms well organized and managed by M&E staff? Is the M&E staff well trained? What additional training is required?

How effective has program implementation, including management of sub-grants (under CARE management) in each of the three GCMi components been? How effective has program implementation, including management of sub-grants (under MC management) in each of the three GCMi components been?

Are management structures, monitoring processes and grant awarding mechanisms of CARE and MC effectual in achieving program objectives and intermediate results?

TASK C:

The team shall appraise if GCMi and its three components (community mobilization, NGO service delivery sub-grants, and the Social Policy Initiative Group) appear to be an appropriate vehicle for achieving the draft SO 3.4, especially the draft IR 3.1.1.

What interventions are most critical and/or have been effective in achieving program objectives and intermediate results? What improvements can be made in the implementation of the follow-on program in order to improve results?

Are there opportunities for integrating program components that could result in greater program impact under the draft SO 3.4 Results Framework? What are the factors that hinder/assist the effective integration of GCMi program?

Are there any unexpected but important benefits or impacts that should be documented? Are there any negative impacts or unintended consequences of the program that need to be addressed, and how?

Are the selection criteria appropriate for identifying and reaching target communities? Does current program meet the needs of the beneficiaries? Do the framework, assumptions and design match the sector conditions?

Are the results sufficient for the resources invested? Is the program well integrated in the Mission's strategy? Are there steps that could be taken to improve integration? Is there room for follow-on activity?

ANNEX B

SITES VISITED

WEST-GCMI

<u>Location</u>	<u>Activity</u>
Imereti	Meeting with Local NGO Abkhazintercont Site visit -- Community Kveda Sazano -- Ambulatory project Site visit -- Community Nergeeti – School rehabilitation and watermill construction
Kutaisi	Meeting at CARE with CHCA -- Local NGO Meeting with SPIG – Social Policy Investment Group Meeting at CARE -- Database and M&E mobilization
Racha	Site visit -- Community Gomi – Challenges
Imereti	Meeting with Local NGO “Helpers International” – Social Protection RFA Site visit – Community Orpiri – Participatory Learning in Action Meeting at CARE with IMC Health and Social Welfare Advisor
Guria	Site visit – Community Chanieti – Ambulatory rehabilitation Meeting with Local NGO – HB&E Site visit -- CBO Coalition presentation
Samegrelo	Site visit -- Community Onaria – IDPs house rehabilitation Meeting with Local NGO “Atinati” – School gardens RFA Meeting with Local NGO VTJC

EAST-GCMI

<u>Region/District</u>	<u>Organization</u>	<u>Points of Interest</u>
Samtske-Javakheti Adigeni District	Catharsis (NGO)	Social Welfare Project that addressed the needs of the elderly
	Adigeni Town	A sports stadium for the town. Strong business Involvement
	Chechia (CIG)	Micro-hydro station, will create economic benefit as well

Akhaltzikhe Town	Akhaltzikhe Town (CIG)	A "graduated" CIG that carried out a very successful health/ advocacy project to address An outbreak of hepatitis in the town
	Metsenati (NGO)	Has received two grants from Mercy Corps. Current one is for a large sewage project. Strong involvement of gov't and business
Akhaltzikhe District	Minadze (CIG)	Advocacy to local gov't (both sacrebulo and district) approx. US\$ 25,000 has been allocated To a new school
	Chacharaki (CIG)	First project was drinking water, second is irrigation system
	Minadze Sacrebulo (CIG)	Have constructed a TV tower to cover the whole sacrebulo
Shida-Kartli. Kareli District Khverdureti Sacrebulo	Number of CIGs	All new CIGs and NGOs just beginning their involvement with East-GCMI
Kareli Town	Areali (NGO)	Environmental improvement project focusing on community-based system for garbage collection
Gori Town	Kindergarten	Three phase kindergarten project that has included children with disabilities
Gori District	Emergency health Facility	Two-phase project that has rehabilitated an emergency health facility

ANNEX C

PERSONS INTERVIEWED

USAID/Caucasus

Sanath K. Reddy	Director, Program and Project Support Office
Dr. Cate Johnson	Director, Office of Democracy and Governance
Peter S. Argo	Director, Office of Energy and Environment
Jeffrey Lehrer	Deputy Director, Office of Economic Growth
Kent Larson	Chief, Office of Humanitarian Response and Social Transition
Khalid Khan	Social Development Specialist
Dana Kenney	Senior Energy Advisor, Office of Energy and Environment
Keti Bakradze	Civil Society Specialist, Office of Democracy and Governance
Pavel Basiladze	Humanitarian Project Management Specialist
Tamar Barabadze	Project Development Specialist, Office of Energy and Environment

CARE

Charlie Danzoll	Chief of Party, West-GCMI Project
Brian Block	Grants Manager
Andrew Halsey	Community Mobilization Manager
George Asatiani	Information and Monitoring Coordinator

Mercy Corps

Steve Power	Country Director/Chief of Party
Vanessa Tilstone	Program Director
Lela Kerashvili	Director of Grants and Compliance
Gary Forbes	Organizational Consultant,

Horizonti

Nino Saakashvili	Director
Vano Tavadze	Manager, Cross-Sectoral Partnership Program
George Datusani	West Georgia Coordinator
Mary Ellen Chatwin	Social Policy Advisor

Other

Tefrik Yaprak	Country Manager for Georgia, The World Bank
Liviu Vedrasko	Country Director, Health and Social Welfare Advisor, West-GCMI
Maria Aycrigg	Environment and Social Manager, BP Exploration
Archil Bakuradze	Director, Charity Humanitarian Center "Abkhazeti"
Shalva Kokochashvili	Project Development Manager, Georgian Social Investment Fund

ANNEX D

REFERENCE DOCUMENTS

Strategic Plan, 2000-2003, Georgia, USAID/Caucasus, June 1999.

Strategic Plan, FY 2004-2008, Georgia, USAID/Caucasus, Second Draft, June 1999.

Performance Monitoring Plan, SO 3.1 "Reduced Human Suffering in Targeted Areas", Office of Humanitarian Response and Social Transition, Georgia, USAID/Caucasus, July 2001.

West-GCMI Semi-Annual Report, CARE, October 2002 through March 2003.

East-GCMI Semi-Annual Report, Mercy Corps, October 2002 –March 2003.

West Georgia Community Mobilization Initiative, Review, prepared by Jeff Gowa, External Consultant, June 15,2002.

West Georgia Community Mobilization Initiative, Health and Social Welfare Review. Final Consultant Report by James A. Cercone, March 11, 2003.

Georgia Community Mobilization Initiative, Mid-Term Evaluation Report, Submitted to Mercy Corps Georgia by the Assessment Team, September 27, 2002.

Empowerment Impacts of GCMI-E, Report to Mercy Corps, Georgia, 18 July 2002. Kate Hamilton, Institute of Development Studies, University of Sussex, Brighton. UK.

ANNEX E
SELECTED BRIEFING MATERIALS

Development Associates, Inc.
MANAGEMENT AND GOVERNMENTAL CONSULTANTS
1730 NORTH LYNN STREET
ARLINGTON, VIRGINIA 22209-2023, USA
TEL: (703) 276-0677 • FAX: (703) 276-0432
E-MAIL: DEVASSOC@DEVASSOC1.COM • WEB SITE: WWW.DEVASSOC1.COM

ASSESSMENT
Georgia Community Mobilization Initiative (GCMi)

Evaluation Parameters (duration 1 Month)

Site Visits: 28 different village visits and meetings with mobilized communities (projects related to: school reconstruction, potable water supply, workshops for disabled, irrigation, hydroelectric generation, grain milling, community centers & libraries, sanitation, and agricultural youth clubs)

Interviews: NGO, CBO (Community Based Organizations), CIG (Community Initiative Groups), USAID Mission staff, local government leaders

Organizational Evaluations: CARE, Mercy Corps, IMC, Horizonti

Funders Interested in USAID/GCMi Community Mobilization Models: World Bank, Georgia Social Investment Fund (GSIF), BTC

INTERVENTIONS IMPLEMENTED

West-GCMi CARE Communities mobilized 251 , target 300 Projects completed 305 , target 550 NGO grants (service oriented) 31	East-GCMi Mercy Corps Communities mobilized 193 , target 148 Projects completed 339 , target 575 NGO grants (project oriented) 179
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COMMUNITY PERCEPTIONS

Trust, the most valuable and often mentioned result of conducting a community project has been the restored trust, in each other, and in development agency initiatives.

Responsibility, responsibility is handed to the community group on the first day of mobilization, and growths through conducting a series of projects.

Ownership, Pride, and Self-Reliance, completion of community projects is cited as one of the most significant community events of the past decade.

Social Movement, tens of thousands of Georgians have been trained in community development and are an untapped resource for future activities.

Democratic Behaviors, democratic behaviors are being learned at the grass-roots level (sub-Sacrabulo level), local leaders are eager to learn as well and participate in projects.

Advocacy, local communities are beginning to feel that they have a rightful voice in the shape their community is taking.

GCMi CHARACTERISTICS (CARE & MERCY CORPS)

Strong Participatory Philosophy and Activities, both CARE and Mercy Corps hold very strong philosophies and methodologies of grassroots mobilization.

Investment in People (training, advising, technical assistance, monitoring and evaluation). GCMi mobilizers often make 3-5 site visits in the initial stages, and then up to 10-15 visits during the course of a project to assist communities as they develop their organizational skills and implement projects.

Quality of Staff, both CARE and Mercy Corps have invested in their staff, and these field staff possess the capability to conduct additional tasks at the community level.

ANCILLIARY BENEFITS

Goodwill, the goodwill earned by GCMI is enormous. GCMI is credited with being the only development effort that invested the time and effort in developing the skills of the local communities, rather than simply bringing projects.

Political Potentials, at least 20 members of GCMI programs have won local elections.

Legitimacy of U.S. Interventions at the Local Level, hundreds of thousands of Georgian citizens have been directly impacted by both the projects and the democratic processes utilized, laying the groundwork for future interventions.

ASSESSMENT

Georgia Community Mobilization Initiative (GCMI) Quotations (from interviews and focus groups)

Community Members

"Community is a new concept."

"Soviet people are resistant to profound changes."

"In the Soviet period we just sat and observed, now we take active interest in improving life."

"First and foremost, is to change peoples' mentality. Even Mercy Corps can't help us if we don't change our own mentality."

"People are used to Communist times, when somebody did something for you. People were very surprised to see us doing it ourselves."

"We had doubt and suspicions, but when we achieved results...we began to believe."

"There was a syndrome of mistrust and suspicion, but these were all dispelled when we began working. We went to Mercy Corps trainings, mobilization and budget workshops."

"When CARE came and said we can help you build your school, we thought that our government tells us the same thing. We were all used to hallow promises. But when we became successful, our numbers swelled, and now people come to us to solve local problems, not to the local governmental officials. When people see our results, they didn't have doubts again."

"We had never come together before as a community to do this before. we learned how to analyze our problems."

"We never had the chance to learn such things: how to make a budget, dealing with people, how to conduct a project, advocacy training, guarding rights"

"Despite the fact that I am Chairman, I don't have the right to make decisions."

"The society possess vast potential to change society...we are finally promoting self-organization."

"We take effort to maintain the building, because we built it ourselves."

"I learned to feel power that you can do something, you can change, despite that the government isn't assisting in any way."

"We include our children in our projects, this was essential. This teaches them lessons for their whole lives, and others observing kids involved also join in and take a new interest in life."

"Every average person can be a leader."

"You are not dependent on other structures, you can solve problems independently."

"How to do a job by joint effort."

"Now communities know who to trust in their own communities."

"Communities are happy to be revitalized, this CARE process works. First steps are hard to take, but now the progress is vivid. It would be great if we could conduct micro-business and agriculture development."

"We have hope now, we learned how to work together...even the Soviet empire failed to make such an impact."

CARE and Mercy Corps Mobilizers

"At first there was much mistrust, they thought that we were from the government. For the first two meetings, no one came, we had to keep working with the group. There were barriers between us and the Sacrabulo. At first the Gamgabeli was the chairman, this isn't accepted by CARE, we came together again to elect officers."

"We were viewed with extreme suspicion and doubt. People thought that we were politicians, then they learned that we were there to help them advocate their ideas. The population was so pessimistic, now they have hope."

NGOs

"Society and people should be active participants in social change...we are working with people to get them involved."

"Strength of CARE is their openness & transparency. We have open communication, and they listen to us."

"From the Soviet system the population expects others to solve their problems. This is a totally new approach."

"Mobilization is transformation, not just do it, but do it well."

"Now I know that I can mediate between the government and the population."

"CBO is not just a collection of friends and neighbors, what is important is the structure offered by becoming a CBO."

"Indigenous CBOs will one day become a movement, a reality."

"We have a good relationship with CARE, seminars and trainings, consultations, they come to communities. Every person, expat or local contribute to our success, it is a true partnership."

"In Mobilization we tell communities: We are not here to finance you, we are here to give you skills you can use in the future."

Funding Organizations Interested in the USAID/ Community Mobilization Model

"We are trying to design interventions to the communities directly and not go through the government. In our previous project, sites for community projects were "selected by phone calls" from influential people. The USAID community mobilization process protects us from this. This (GCMI) is a different approach. This partnership we have here is the first of its kind. Benefits of collaborating include: promote community interest and participation in accomplishing projects, enhanced transparency, decision making is not in government hands, the money is available for projects and we don't require a large monitoring and control effort. GFIS-I was our failure, it didn't have vision, marrying our project to USAID's success, it is a great idea.

"We have learned that local government leaders always want one project, and the community wants another, also their requests are always too big. CARE and Mercy Corps know how to work at the community level, so we avoid these problems. Using both CARE and Mercy Corps spreads our risks."

"GSIF-I was a top down program, this is exactly the wrong way to do development, but everyone does it that way. Demand should be driven from the bottom-up, that is exactly what GCMI does."