

C i t i z e n s A d v o c a t e ! P r o g r a m

CAP is a USAID-funded three-year activity. Its goal is to improve the capacity of Civil Society Organizations and create an enabling environment so that CSOs can promote citizens' interests and effectively advocate their cause. CAP was initiated in August 2002 by Save the Children Georgia Field Office and coalition of Georgian NGOs
CDCA ♦ CIPDD ♦ CSI ♦ CSRDG ♦ PG ♦ UNAG

Countrywide Assessment of Georgian Civil Society Organizations

Report Developed by

**The Center for Strategic Research and Development of Georgia
and
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Executive Summary

Donor and international agencies on the whole have positively evaluated civil society growth in Georgia, referring to it as one of the major achievements of Georgian democracy. Both the number of registered non-governmental organizations (NGOs), estimated at more than 5,000, and the range of their activities have dramatically increased since the mid-1990s. Georgian NGOs play a growing role in setting the public agenda sustaining the impetus for reforms. And the international community increasingly relies on Georgia's civil society to propel Georgia through the transition process to a democratic state with an open, market-driven economy.

Given NGOs' growing responsibility for shaping their country's future, it is important to identify the internal capacities and external base of support that they enjoy, and to determine what NGOs require as a sector in order to fulfill these expectations. During recent years some observers have questioned the depth of Georgian civil society, and the extent to which they impact society at large.¹

The aim of this report, therefore, is to provide a detailed description of the capacities and relations of the most active segment of Georgia's NGO sector. The research studied 189 NGOs from fifteen cities in nine regions of Georgia, exploring eight dimensions of capacity: 1) fields of activity, 2) external relations, 3) structural development, 4) operational process, 5) mission and strategy, 6) logistical base, 7) financial resources and 8) human resource management.

This research was undertaken by United Nations Association of Georgia (UNA) and Center for Strategic Research and Development of Georgia (CSR DG). It constituted one of the first activities undertaken by the Citizens Advocate! Program (CAP) with support from the US Agency for International Development (USAID). CAP aims to improve the capacity of CSOs and to create an enabling environment so that CSOs can promote citizen interests and effectively advocate their cause.

MAIN FINDINGS

The research has confirmed that developed CSOs constitute only a fraction of the total number registered. But it showed that at least 85 from 189 surveyed organizations (44.5%) feature high levels of organizational development. They are capable of forming the spine for further self-development of the civil sector in Georgia.

Encouragingly, developed Georgian CSOs are on a sound footing in terms of equipment and offices and their budgets have remained stable over the last three years. At the same time, foreign grants remain the main source of revenue for the absolute majority of the surveyed organizations. Local fundraising is attempted, but fails to generate substantial revenues to the CSO budgets.

The research has shown that the capital-based CSOs remain more advanced organizationally. A gap between the Tbilisi-based and regional CSOs is most visible in the level of organizational sophistication – specifically in human resource management, project cycle

¹ Black, David, Jay, Susan and Keshishian, Michael, *Civil Society Assessment*, USAID/Caucasus/Georgia, June 2001, p.2.

management and financial procedures. There are encouraging trends in the regions of Samegrelo, Imereti and Guria, where local CSOs are more on a par with their capital-based counterparts.

External relations are managed evenly and fairly well across the country. However, the levels of beneficiary involvement remain low. There is a need for increased sophistication of the external relations and project cycle management to better incorporate these needs into activity planning and project implementation.

Notably, voluntarism is still uncommon in Georgia. Developed CSOs are professional agencies, driven by a motivated staff, but are not volunteer groups.

The overall conclusion is that to better serve community needs CSOs need to enhance their capacities for human resource and financial management, media relations, operations and impact assessment.

RECOMMENDATIONS

One general recommendation that emerged during the assessment is that further development of civil society organizations in Georgia requires continued support of the donor community. But this support should shift towards more focused efforts, such as advanced and custom-made training and consultancy services.

Also, organizationally developed CSOs are capable of supporting the growth of their counterparts. Donors can encourage this through partnerships, coalition projects, and exchange of research information. Such approaches can also help to narrow the gap between capital-based and regional CSOs.

It is apparent that the growth in sophistication of the organizational processes as well as increased community outreach will require provision of developed services to CSO executives as well as larger and better-managed overhead budgets.

Chapter 1, Research Overview and Methodology

1. PROBLEM STATEMENT

The development of the non-governmental organizations (NGOs) in Georgia has increased dramatically since the mid-1990s. NGOs have mushroomed, supported by a generally conducive legislative and political environment, and have, over the last years, extended their activities to a variety of fields. The Unified Register of the Unions of Georgia lists 3848 associations registered in 73 courts by December 31, 2001.² Current number of both Unions and Foundations (the two legal forms under which the civil society organizations can be incorporated in Georgia) is estimated at more than 5000 organizations.

Donor and international agencies on the whole have positively evaluated civil society growth in Georgia, referring to it as one of the major achievements of Georgian democracy.

Nevertheless, during the last years questions arose regarding the depth of this civil society, as well as the extent at which NGOs impact society at large.³ In response to these assessments, the Citizens Advocate! Program (CAP) was launched with support of the US Agency for International Development (USAID) in 2001 to improve the capacity of CSOs and create an enabling environment so that CSOs can promote citizen interests and effectively advocate their cause.

2. RESEARCH OBJECTIVE

This research aims to:

- Identify the criteria of CSO organizational development;
- Set the baseline of CSO development in fields of democracy and governance nationwide.

The *operational hypothesis* of this research was based on several assumptions:

- While there is a multitude of CSOs in Georgia, previous research has shown that not all of them are operational, and those that do operate, differ by various level of organizational development.⁴
- As non-governmental entities work for the public benefit, their ability to involve and serve the interests of their target or constituency group should be used to gauge their performance.
- Most Georgian CSOs use foreign funding (grants) as their main source of revenue to implement projects.
- CSOs in the capital (Tbilisi) tend to be more developed than their counterparts in the regions (provinces) of Georgia. First of all, Tbilisi CSOs emerged earlier, and secondly higher donor attention was paid to the Tbilisi-based groups.⁵

² *Unified Register of the Georgian Unions*, Georgian Business Law Center, Tbilisi 2002, p. 1,

³ Black, David, Jay, Susan and Keshishian, Michael, *Civil Society Assessment*, USAID/Caucasus/Georgia, June 2001, p.2.

⁴ UN Association of Georgia, *Working with Refugees and Asylum Seekers in Georgia: the Role of NGOs*, UNHCR Geneva, 2001

3. METHODOLOGY

1. Selection Criteria

The CSOs covered by this study were selected based on the research hypothesis that a large proportion (according to some previous research up to 90%) of CSOs exist only in their registration documentation.⁶ Hence, it was decided that random selection would not yield satisfactory results.

Rather, CSOs were selected based on “experience and activeness.” “Experience” in this case refers to previous grant and project management experience, while “activeness” means familiarity to a wider public, fellow CSOs or donors about the activities of these organizations. Both of these criteria were used to identify those organizations that had a track record of implemented projects. Hence they have had time to develop their organizational structures, and to generate some public awareness of their recent work.

The following sources have been used to identify these organizations:

- The *Unified Register of Georgian Unions* published by the “Georgian Business Law Center” was used to identify the entire population of CSOs;
- Data bases from the international/donor organizations on their partner and grantee organizations were used to narrow the number of CSOs to those that have implemented projects;
- Center for Strategic Research and Development of Georgia’s (CSR DG) *Public Attitudes Towards NGOs* was used to further refine the list of target organizations by each region;
- Previous research in NGO/CSO development by UNAG and CSR DG was used to cross-reference the organizations and make necessary additions.

Based on these sources 195 organizations were identified nationwide. As some of them were not available for meetings during the dates of the fieldwork, 189 organizations have been interviewed and their data is reflected in this research.

2. Selection bias

Since the level of CSO development was assumed to be different in the capital and the regions, the team has set a higher standard for selection for the most experienced/active organizations in the capital, to ensure roughly even distribution of the capital-based and non-capital-based CSOs in the assessment. For simplicity of presentation the levels of capital-based CSO development by each criterion are presented separately in this report.

The research has concentrated on CSOs working in fields of democracy and governance. Hence some well-established CSOs working in other areas, for instance ecology, were not

⁵ Black, David, Jay, Susan and Keshishian, Michael, *Civil Society Assessment*, USAID/Caucasus/Georgia, June 2001, p.3-4.

⁶ UN Association of Georgia, *Working with Refugees and Asylum Seekers in Georgia: the Role of NGOs*, UNHCR Geneva, 2001

included unless their focus overlapped with democracy and governance (for instance environmental policy monitoring).

Thus, this report is indicative of CSOs' levels of development in the field of democracy and governance. It is also biased towards more developed (experienced/active) organizations both in the capital and the regions. It is not statistically representative of all registered entities, but of active organizations in each region.

Table 1. Selected CSOs by region

Region	City	Number of Interviewed Organizations
1. Adjara	Batumi	8
2. Guria	Chokhatauri	3
	Lanchkhuti	2
	Ozurgeti	10
3. Kakheti	Telavi	15
	Kvareli	2
	Lagodekhi	7
4. Racha	Ambrolauri	8
5. Samtskhe	Akhaltzikhe	9
6. Imereti	Kutaisi	17
	Zestaponi	4
7. Shida Kartli	Gori	10
8. Samegrelo	Zugdidi	22
	Poti	2
9. Tbilisi	Tbilisi	70
Total		189

3. Evaluation Criteria and Process

The CAP project's interest in advocacy and governance were used as a starting point for developing evaluation criteria for levels of CSO development. These included:

- Existence of a Board of Directors with functions distinct from those of the Executive;
- Clearly formulated mission statement;
- Permanently employed staff;
- Diversification of funding sources;
- Fee-based services;
- Regional branch offices;
- Reform-oriented cooperation with the local and national authorities;

Based on these broad areas of interest, 8 main criteria were developed by the research team, which were broken down into 28 sub-criteria as follows:

1. Field of Activity, Experience
 - Number of implemented projects financed by donors;

- Number of self-financed projects/activities;
 - Thematic area of work;
 - Ways of scaling up activities (field offices, contact persons);
 - Specific services to and feedback mechanism from the target groups.
2. External Relations
- Level of information dissemination about the organization;
 - Methods of information dissemination;
 - Cooperation with other NGOs;
 - Cooperation with governmental agencies;
 - Cooperation with mass media;
 - Cooperation with businesses.
3. Structural Development
- Board responsibilities (separation from executive, capacity);
 - Established structural units;
 - Governance style;
 - Defined staff responsibilities.
4. Operational Processes
- Activity planning;
 - Evaluation of implemented activities;
 - Reporting, archives and documentation.
 -
5. Mission and Strategy
- Clearly formulated mission statement (in written form);
 - Strategic planning.
6. Logistical Base
- Office space;
 - Communication and technical facilities;
7. Financial Resources
- Financial sustainability;
 - Average budget volume during the last 3 years;
 - Level of diversification of the sources of revenue;
 - Financial management practices.
8. Human Resource Management
- Existence of a staff /paid employees;
 - Recruitment procedures.

To check the relevance of the above sub-criteria 20 experts (mainly civil activists) were asked to rate each of the sub-criteria according to their perception of its relevance on a 5-point scale (1 – not important, 2 – less important, 3 – more or less important, 4 – very important, 5 – vitally important). A median value was attached to the sub-criteria equaling 3, 4 or 5, meaning that none of the above-listed attributes have been regarded by experts as irrelevant.

The main research tool, a questionnaire consisting of 62 questions, was then developed to explore the different aspects of the criteria. The questionnaire was designed to allow the

possibility of assessment by each of the sub-criteria. A copy of the questionnaire can be seen in Appendix 1.

4. Assessment Process

The assessment was conducted by a 4-member team of researchers from October through December 2002. Each of the participating CSOs has been assessed through a semi-structured interview with one of its chief executives. To ensure consistency of the evaluation, the value was assigned to each of the sub-criteria by at least two of the researchers using the results of the questionnaire.

Each of the 28 sub-criteria has been evaluated on a 4-point scale, with one being the lowest and four being the highest value. For each of the sub-criteria specific meanings were accorded to each of the value points. For example:

Sub-criterion: <i>Average budget volume for the last 3 years</i>	Value			
	1	2	3	4
	None to \$1,000	Up to \$10,000	Up to \$50,000	More than \$50,000

To see a complete description of the sub-criteria ranking please refer to Appendix #2.

A score for each sub-criterion, under the heading of a major criterion, was added up and divided by the number of sub-criteria to calculate a given organization's score on this criterion. For instance: Criterion 3 Structural Development consists of four sub-criteria. The scores for each sub-criterion were added up and divided by 4 to get the score for Criterion 3.

For calculating the Cumulative Organizational Development (COD) score, the scores for all 8 major criteria were added up and divided by 8. The resulting cumulative score also ranges between 1 and 4.

5. Development Tiers

Based on the resulting scores for organizational development for each of the 189 organizations, four levels (tiers) of development were identified, with Tier One organizations being at a higher level of organizational development, and Tier Four at the lowest.

The tiers were identified statistically. Based on the calculations given above, the minimum COD score an organization could get was 1 and the maximum 4. The difference between these points divided by four $(\text{max-min})/4=3/4=0.75$ was used as a separation range between the tiers. Hence, the COD scores for each tier were formed as follows:

COD Scores Sorted by Tier			
Tier 4	Tier 3	Tier 2	Tier 1
From 1 to 1.76	From 1.76 to 2.5	From 2.5 to 3.26	From 3.26 to 4

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It should be noted that the research did not construct the tiers by pre-conceived ideas based on “high” or “low” levels of organizational development, but grouped the tiers according to the statistical criteria. This report provides for an empirical description of the development tiers at the time of the research.

6. Data Processing and Report Format

The data acquired through the questionnaires was statistically processed using the SPSS application to devise statistical analysis and correlations for this report. The Report provides basic data with complementary charts and tables. The results are grouped by criteria and sub-criteria. The report also compares capital-based CSO scores with non-capital-based ones across the sub-criteria. It also provides a breakdown of scores for each of the regions, including Tbilisi.

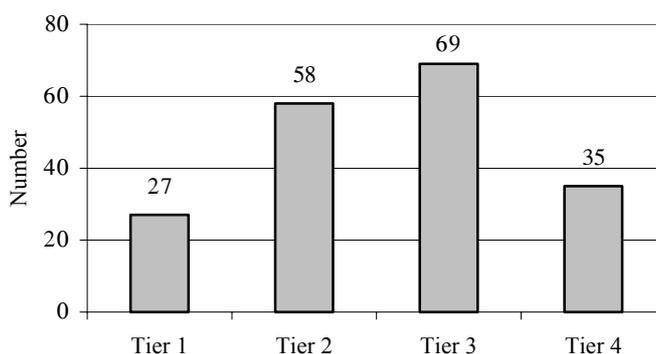
This report was designed to provide researchers with the main characteristics and trends of organizational development for CSOs. The information was collected on condition of anonymity of the COD scores for the surveyed organizations.

Chapter 2, Development Tiers

DESCRIPTION OF THE DEVELOPMENT TIERS

Four Development Tiers were identified based on COD scores of the interviewed organizations.

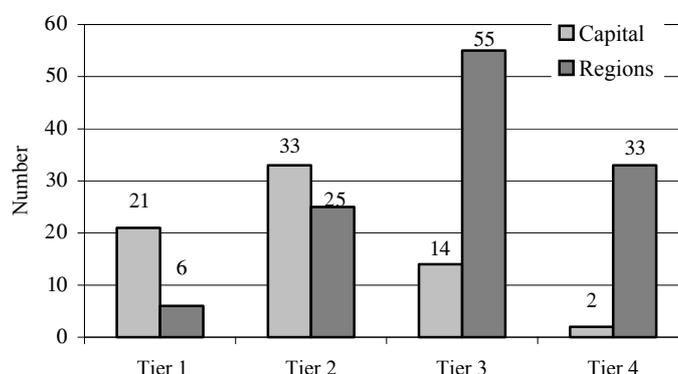
Organizations by Tier



As seen from the chart, 69 organizations (36.5%) belong to the Tier 3 of institutional development, forming the largest group. As expected, Tier 1 organizations – 27 (14.3%) – represent the smallest group. A selection bias towards experienced/active CSOs discriminated against the Tier 4 organizations, thus they are underrepresented in the study.

COMPARISON OF REGIONAL AND CAPITAL-BASED ORGANIZATIONS BY TIERS

Comparison of capital-based and regional organizations by tier



As seen from the chart, a large portion of the Tier 1 -- 26 organizations (77.8%) are concentrated in Tbilisi. Tier 3 and Tier 4 organizations are more prevalent in the regions.

The following table illustrates allocation of organizations by region:

Regions	Groups				Total
	I	II	III	IV	
Adjara		1	6	1	8
Guria	1	4	7	3	15
Kakheti		4	7	13	24
Racha			3	5	8
Samtskhe		1	7	1	9
Imereti	3	3	7	8	21
Kartli		2	7	1	10
Samegrelo	2	10	11	1	24
Tbilisi	21	33	14	2	70
Total	27	58	69	35	189

It is to be noted that the research did not form the tiers by pre-conceived ideas based on “high” or “low” levels of organizational development, but grouped the tiers according to the statistical criteria. Based on the contents of the questionnaire, typical descriptions of the Tiers were devised and are provided below. It also has to be noted that the descriptions of the Tiers are generalized and list features that are characteristic to at least 80% of the surveyed organizations in each of the Tiers.

DESCRIPTION OF TIER 1 ORGANIZATIONS

Structural Development

- Three levels of staff: top management, middle management and staff are identified and functional;

- The Board of Directors is a decision-making and trusteeship body, as a body it functions independently from the executive. However, in most organizations some of the Board members have some executive functions. Only few organizations have fully independent (non-paid, non-executive) Boards.
- Joint decision-making is customary and procedures exist for such decision-making.
- Functions and responsibilities of staff members are defined by contracts and job descriptions.

Mission and Strategy

- Organizations have a clearly formulated mission statement consistent with their activities.
- Future activities are defined through strategic planning. A strategic plan exists for two or more years. Either the entire staff or at least middle management is involved in the strategy development process.

Implemented Projects/Activities

- Three or more projects with at least one with a budget higher than 50,000 USD in the last two years (including ongoing projects);
- National (the majority of Georgian regions) or international span of activities. International span usually refers to South Caucasus, through joint projects and/or networking.
- A nationwide coverage is ensured through partner organizations or their own regional offices.
- The majority provides for permanent services and uses feedback mechanisms/procedures (analysis and evaluation) while interacting with the beneficiary groups.

Information Dissemination

- Organizations disseminate information on their own activities often (monthly or several times in a month) and on regular basis;
- Information is disseminated through publication of annual reports, website, planned media relations or editions of own periodicals and newsletters.

Cooperation with Representatives of Various Sectors

- Organizations have stable collaborative relations with other NGOs and experience with joint project implementation.
- Are members of an operating network or has experience as part of a coalition and productive cooperation with state agencies (for instance drafting of the legislation, review of the proposed legislation, development of state policies in various fields).
- Cooperation with mass media is active and joint efforts are substantial.

Procedures – Planning and Evaluation

- Middle and short-term calendar plans along with long-term strategic plans are developed;
- Internal evaluation/monitoring procedures exist.
- Complete evaluation of organizational activities and programs takes place.
- Documentation is archived and maintained in order.

Logistical Base

- Organizations own the office or rent it on a permanent basis, have sufficient individual working space for all full-time employees;
- Are well equipped technically and by communication means. Internet access is available. Working facilities are sufficient for carrying out ongoing activities.

Financial Resources

- Continuous funding in the last three years (2000-2002)
- Average budget for the last three years varies within USD 50,000 – USD 100,000 range and reaches USD 500,000 in an exceptional case.
- Funding sources are diversified, including donors with no permanent representation in Georgia and some income is generated from service fees.
- Along with the project budgets, the annual organizational budget is drafted, which spells out administrative and program-related expenses.
- General financial audit is held regularly.

Human Resources Management

- Organizations employ a permanent staff of at least 7 individuals.
- Recruitment procedures are established, vacant positions are openly advertised and the selection is based on objective, merit-based competition as defined by an announced criteria.

DESCRIPTION OF TIER 2 ORGANIZATIONS

Structural Development

- Executive, decision-making and strategic planning authorities are separated from each other only partially;
- Part of the board members are involved in executive activities and/or the same person performs the functions of both board chairman and an executive director.
- Middle management exists, usually at the level of the program directors, but they are not involved in decision-making affecting the whole organization.
- Limited number of staff members participates in decision-making through occasional consultations, which are not procedurally proscribed or regular;
- Functional responsibilities of the staff are defined by the contracts only. There are no detailed job descriptions.

Mission and Strategy

- Organizations have defined purpose statement, which is not however presented in the form of a separate mission statement, but is integrated in various formal or semi-formal documents (a charter, information and promotional material, project proposals).
- No strategic planning takes place; a general outline of future intentions/areas of interest exists.

Implemented Projects/Activities

- Three projects implemented within the last two years, with none of them budgeted above 30,000 USD;
- Operates beyond the home city/town, covering 2-3 regions through contact persons and/or field visits.
- Periodically offers specific services to beneficiaries, but no formalized feedback mechanisms exist.

Information Dissemination

- Information about the organization and its activities is disseminated occasionally, once every three months or annually.
- Media coverage is usually initiated by journalists, rather than by the CSO itself.

Cooperation with Representatives of Various Sectors

- Actively cooperate with other CSOs and have the experience with implementing joint projects and coordinating activities;
- Relations with public agencies are mainly initiated by the organization itself;
- There is some experience in media relations, but contacts are irregular. Occasionally CSOs buy airtime and space in the newspapers for announcements.

Procedures – Planning and Evaluation

- Organizations have defined long-term objective, but a detailed roadmap (specification of medium- and short-term objectives, monthly planning, etc.) does not exist. CSO work is mainly planned around the projects being implemented.
- Evaluation of implemented activities is limited to the official project reports and internal personnel reporting (program director reporting to head of organization).
- Archives of the most important documents (founding documents, project reports) exist; there is no procedure for creating/running the archives, filing letters, etc.

Logistical Base

- Offices are either rented or utilized free of charge, however, in several cases available space is not sufficient for every employee.
- Organizations possess various types of technical equipment, as well as Internet accessibility, but part of the equipment is either worn-out or not sufficient for implementing ongoing activities.

Financial Resources

- Funding gaps within the last three years have not exceeded a period of 6 months, while the annual budgets have not exceeded 50,000 USD.
- Organizations have several donors; in some cases revenues are generated from service charges, but these revenues do not exceed 5% of the total budget.
- Annual organizational budget is not planned in advance. Only the individual project budgets are drafted. Some of the organizations have audited their financial statements only once.

Human Resources

- There are 3 to 6 permanent employees. Information on vacant positions is not announced openly but distributed among personal acquaintances.

DESCRIPTION OF TIER 3 ORGANIZATIONS

Structural Development

- No middle management. Head of organization (usually the founder) makes most decisions unilaterally.
- Most of the organization's members (staff) serve on the Board of Directors, which is largely a formal body. Board meetings discuss daily management issues.
- Functional responsibilities of the staff are defined by oral agreement, in most cases no contracts are signed with the employees.

Mission and Strategy

- Organizations do not have mission statements. There are sets of broad objectives set in the charter/statute.
- There is no long-term activity plan. Only the vision of the prospective fields of activity exists.

Field of Activity, Experience

- Organizations have implemented one or two small-scale projects with budgets not exceeding 5,000 USD.

- Activity span covers only an area of legal incorporation (city/town/administrative district). Activity area is covered through individual field visits.
- No regular services are offered to the beneficiaries. Quoted feedback from the beneficiaries is largely spontaneous (gratitude of the participants, observations of the implementing staff).

Information Dissemination

- Information is disseminated spontaneously and only occasionally.
- Leaflets are widely used for disseminating information about the CSO, while media coverage is rare, and usually occurs at the initiative of journalists.

Cooperation with Representatives of Various Sectors

- Relations with other CSOs are limited to the exchange of information. Participation in CSO meetings is quite insignificant, except for cases where the Tier 3 CSO is a member of wider and more active CSO network.
- Relations with public agencies are limited to information exchange.
- Relations with media are of a spontaneous nature and depend on journalists' initiative.
- Characteristically, Tier 3 organizations have frequently managed to obtain private funding for their events and activities. Usually such funding is a one-time contribution by a local business.

Procedures – Planning and Evaluation

- Activities are planned spontaneously, as needed for specific events.
- Evaluations take place only through general discussion among the staff.
- Founding documents and several projects are retained for the records.

Logistical Base

- Do not own offices, are located in the apartment of a staff member or are being provided space free of charge at a stronger CSO.
- Only minimal office equipment (1 personal computer, 1 telephone) is available; otherwise they use the facilities of the host organization.

Financial Resources

- Funding gaps for the last three years (except newly established organizations) do not exceed a period of one year. Average annual budgets do not exceed 10,000 USD.
- Funding is received from one donor, which usually has offices in Georgia.
- Project budgets are available only and are unable to draft organizational budget. No financial audits are held.

Human Resources

- There is no permanent staff. Temporary staff members, chairman of the Board and several Board members have irregular income from funded projects.
- No need for new employees. Hence no public announcements are practiced. When needed, new staffers are selected from the body of volunteers.

DESCRIPTION OF TIER 4 ORGANIZATIONS

Structural Development

- Structure exists only in the charter; no formal structural units are defined.
- Founders, Board members and personnel are frequently the same persons. Their functional responsibilities are either undefined or defined as a matter of formality only.

Mission and Strategy

- Mission statements are not formulated; there is a broad vision of purpose.
- Activities are not planned.

Implemented Projects/Activities

- No experience of project implementation. Some volunteer work has been done within the area of legal incorporation.
- No services offered to the beneficiaries.

Information Dissemination

- Practically do not/cannot disseminate information.

Cooperation with Representatives of Various Sectors

- Relations with other CSOs are confined to personal acquaintances/contacts only.
- There are almost no relations with representatives of other sectors.

Procedures – Planning and Evaluation

- No planning or evaluation procedures are place.
- Founding documentation retained.

Logistical Base

- Organizations have neither office nor equipment.

Financial Resource

- Have either not been financed at all or been funded only in the current year (2002).
The volume of funding did not exceed \$1,000.

Human Resources

Human resources are basically limited to the Board chairman and members who see themselves as volunteers.

Chapter 3, CSO Characteristics by Evaluation Criteria

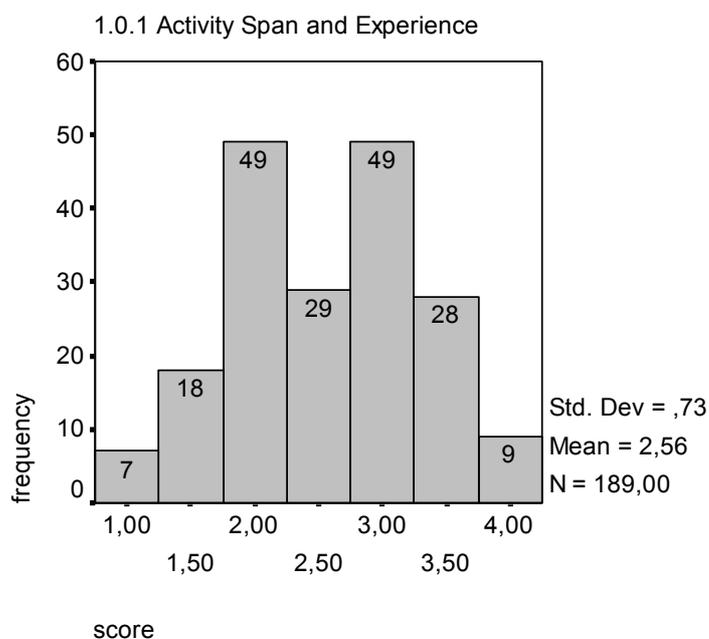
CRITERION 1 – ACTIVITY SPAN AND EXPERIENCE

Cumulative Average – 2.56

Under Criterion 1, the research has identified the following sub-criteria:

- 1.1 Number of donor-funded projects in the last two years;
- 1.2 Geographic span of activities;
- 1.3 Mechanisms for covering the area of activities;
- 1.4 Number/frequency of self-financed activities in the last two years;
- 1.5 Provision of services to the beneficiaries and effective feedback mechanisms

Every organization was evaluated on a 4-point scale for each of these sub-criteria and the averages were calculated.



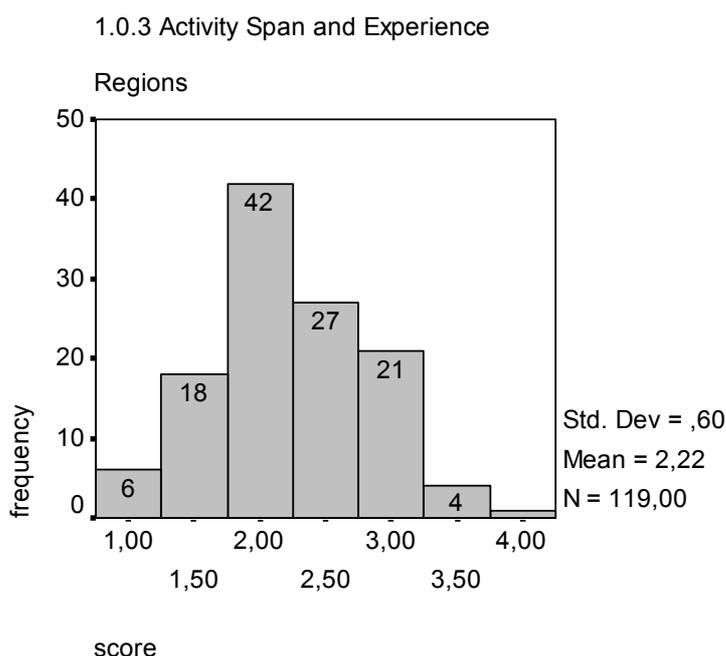
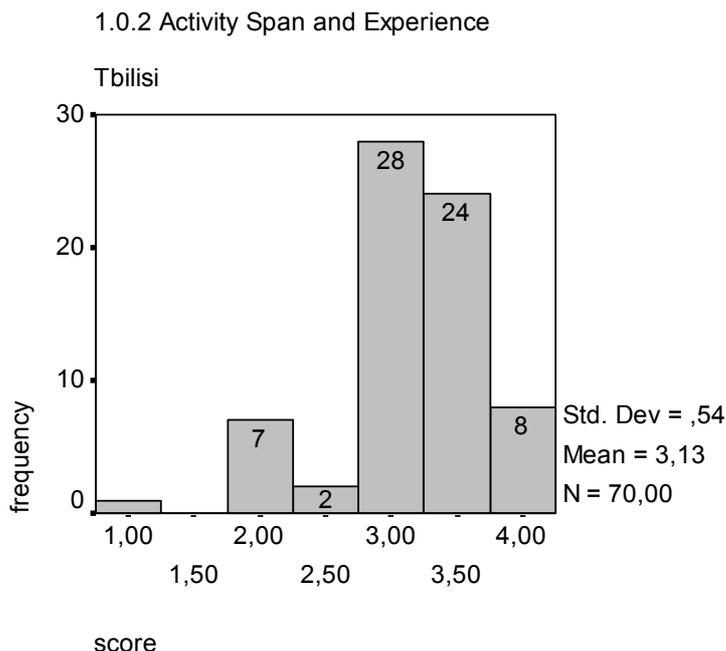


Chart Notes: The charts depict proportions of the interviewed organizations according to points generated by them in the activity span and experience block. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.

Chart 1.0.1 shows that the average point for activity span and experience of interviewed organizations (Mean=2.56) fluctuates within the 2 to 3 point range. A difference between Tbilisi-based CSOs and the rest is clearly discernible (Charts 1.0.2 and 1.0.3): while most of the capital-based organizations scored from 3 to 4, outside of Tbilisi this figure is within the 2 to 3 point range.

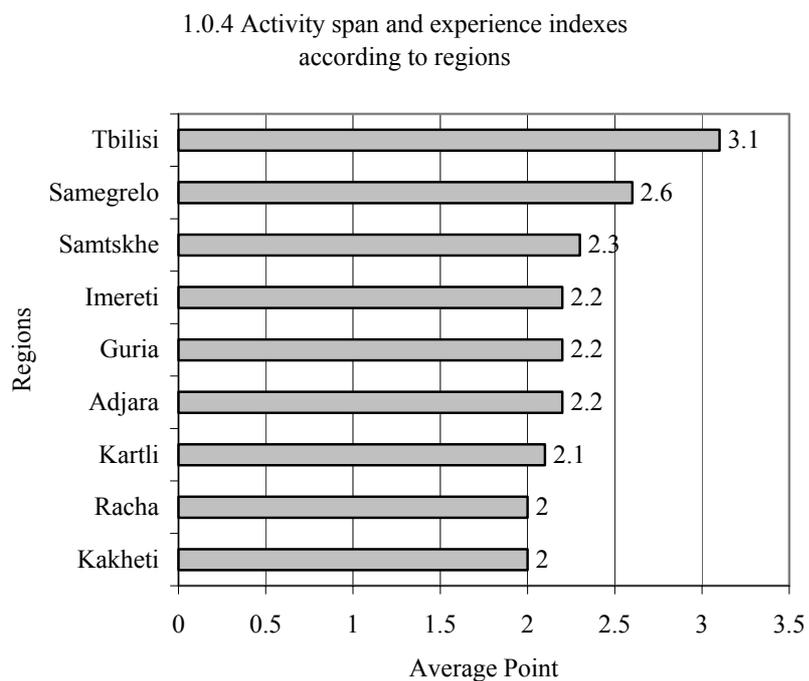


Chart 1.0.4 shows comparative scores for each region. Samegrelo CSOs received the highest scores after Tbilisi, with high concentration of international donor organizations that are operating in Zugdidi being the probable reason. The lowest scores were registered in Kakheti and Racha, where civil society organizations are relatively young.

1.1 Number of Donor-funded projects in the last 2 years

Interviewed NGOs																	
Number of Grants	0	1	2	3	4	5	6	7	8	9	10	12	14	15	16	25	30 and more
Number of NGOs	21	45	26	19	15	21	8	8	2	2	10	2	1	3	1	1	2
Tbilisi																	
Number of Grants	0	1	2	3	4	6	5	7	8		10	12		15	16	25	30 and more
Number of NGOs	2	1	9	9	8	13	4	6	2		8	1		3	1	1	2
Regions																	
Number of Grants	0	1	2	3	4	5	6	7		9	10	12	14				
Number of NGOs	19	44	17	10	7	9	4	2		2	2	1	1				

Table 1.1

50,2% of the interviewed organizations has received more than 3 grants in the last two years. Tbilisi and regional indicators differ drastically: 82,9% of the Tbilisi-based organizations have implemented three or more projects, compared to only 32% in the provinces. Maximum number of grants received by a single CSO outside Tbilisi was 14, while in Tbilisi the figure was 30.

1.2 Geographic Span of Activities:

Table 1.2 below shows the number and percentage of organizations by their respective span of activities: a single city, wider administrative region (*rayon*), region (province), several regions, whole country and international.

Table # 1.2

Operation Area	Number of NGOs	Percent
City	24	12,6%
Rayon	32	16,9%
Region	55	29,1%
Several Regions	19	10,1%
Country	40	21,2%
International	19	10,1%

The research found that more organizations reach outside of their own city or the rayon (70,5%). Only 29,5% of the surveyed organizations is localized within their rayon.

The research established no correlation between the geographic span of activities and the aggregate levels of development. The span of activities does not correlate with other criteria studied.

Within Criterion 1, however, a higher cumulative score is usually associated with a larger span. Table 1.3 shows that those organizations that scored above the mean point (2.5) have a larger span of activities.

Operation Area	Activity Span and Experience score															
	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.6	3.8	4.0
City	2	2	6	4	5	3	2									
Rayon		1	2	4	6	5	6	2	1	4				1		
Region	1	1	2		2	8	7	12	7	9	2	3	1			
Several Regions							2	4	1		5	3	3	1		
Country						1	2		1	4	8	3	11	2	6	2
International								1		1	3	4	4	5		1

Table 1.3 Criterion 1 Averages linked to the Activity Span Sub-Criterion

1.3 How is the area of Activities Covered

To cover their respective areas of geographic span, CSOs use several mechanisms. They establish branch offices (in certain cases regional representations or offices); work with contact persons (usually the representatives of CSOs operating locally); partner with local organizations to implement joint projects; create standing coalitions; work through field visits of their officers/staff.

Tier 1 and 2 CSOs are likely to apply most of these mechanisms simultaneously. Most organizations do field visits 58,7% (111 NGOs). Only 22,2% (47 NGOs) of interviewed organizations use branch offices or regional representations to expand their activities.

1.4 Self-financed activities:

Three conditional forms of self-financed activities have been identified during the research process:

- Self-financed program;
- Follow-up of the donor-supported project;
- Funding for a single event.

Research revealed an existing contrast between the regions. For instance, none of the interviewed CSOs implemented a self-funded program either in Kakheti or Racha, while in Adjara 50% (4 NGOs) of the interviewed organizations implements a self-financed program. Table 1.4 below gives a picture of the self-financed activities by region.

Region		Subcriterion				
		Absence of self financed programs	Funding for a single event	Follow-up of the donor-supported project	Self-financed program	Total
Adjara	%	37.5	12.5		50.0	100.0
	N	3	1		4	8
Guria	%	60	13.3	6.7	20.0	100.0
	N	9	2	1	3	15
Kakheti	%	37.5	45.8	16.7		100
	N	9	11	4		24
Racha	%	25.0	50.0	25.0		100.0
	N	2	4	2		8
Samtskhe	%	44.4	11.1	22.2	22.2	100.0
	N	4	1	2	2	9
Imereti	%	47.6	23.8	14.3	14.3	100.0
	N	10	5	3	3	21
Kartli	%	40.0	40.0	10.0	10.0	100.0
	N	4	4	1	1	10
Samegrelo	%	33.3	12.5	16.7	37.5	100.0
	N	8	3	4	9	24
Tbilisi	%	42.9	25.7	10.0	21.4	100.0
	N	30	18	7	15	70
Total	%	41.8	25.9	12.7	19.6	100.0
	N	79	49	24	37	189

Table 1.4

Statistical analysis of the data has showed very weak correlation ($p=0.12$) between self-financed and privately financed (business-financed) activities. Out of 27 organizations which have 15-100% of their operational budget formed from business donations, 8 organizations never implemented self-financed activities in last three years, 6 implemented single-time events, another 6 followed up on the donor-supported activities and 7 of them implemented independent programs through self-financing.

1.5 Service provision and effective beneficiary feedback:

Table 1.5 shows the types of services provided by the surveyed organizations. Besides the diversity of service types, an important indicator of this sub-criterion was the evaluation of mechanisms by which the beneficiaries are defined and feedback is solicited.

Activity Type	Frequency	%
1. Trainings, Seminars	144	76,2%
2. Collection/Dissemination of Information	161	85,2%
3. Relations with Other NGOs, Creation of Coalitions	138	73,0%
4. Legislative Work, Lobbying	67	35,4%
5. Assistance in Courts	39	20,6%
6. Consultations	138	73,0%
7. Research	114	60,3%
8. Monitoring of State Agencies' Activities	75	39,7%
9. Humanitarian Assistance	46	24,3%
10. Publications	109	57,7%
11. Psychological Rehabilitation	28	14,8%
12. Protests/Campaigning	22	11,6%

Table 1.5

There are quantitative differences in the types of services offered in the capital and outside of it. 55,7% of Tbilisi CSOs practices legislative activity or lobbying, while only 23,5% of the regional organizations use these practices. Research activities are popular in Tbilisi (71,4% of the surveyed organizations provide research services) and is substantially less practiced in the regions (53,8%). A similar picture is observed in publications 70% of the Tbilisi-based and 50,4% of the regional CSOs do publishing. There is significantly lower interest in pressure and protest campaigns: 17,1% of Tbilisi-based organizations and 8,7% of the regional ones practice these forms of activism.

The research also aimed at determining the field of activities for each organization. A substantial number of surveyed CSOs is active in several thematic directions. The chart below depicts the activity directions as defined by CSO respondents. Although it was not a priority during the selection to interview organizations working on environmental issues, this direction turned out to be the most widespread.

1.5.1 Frequency of Fields of Activity

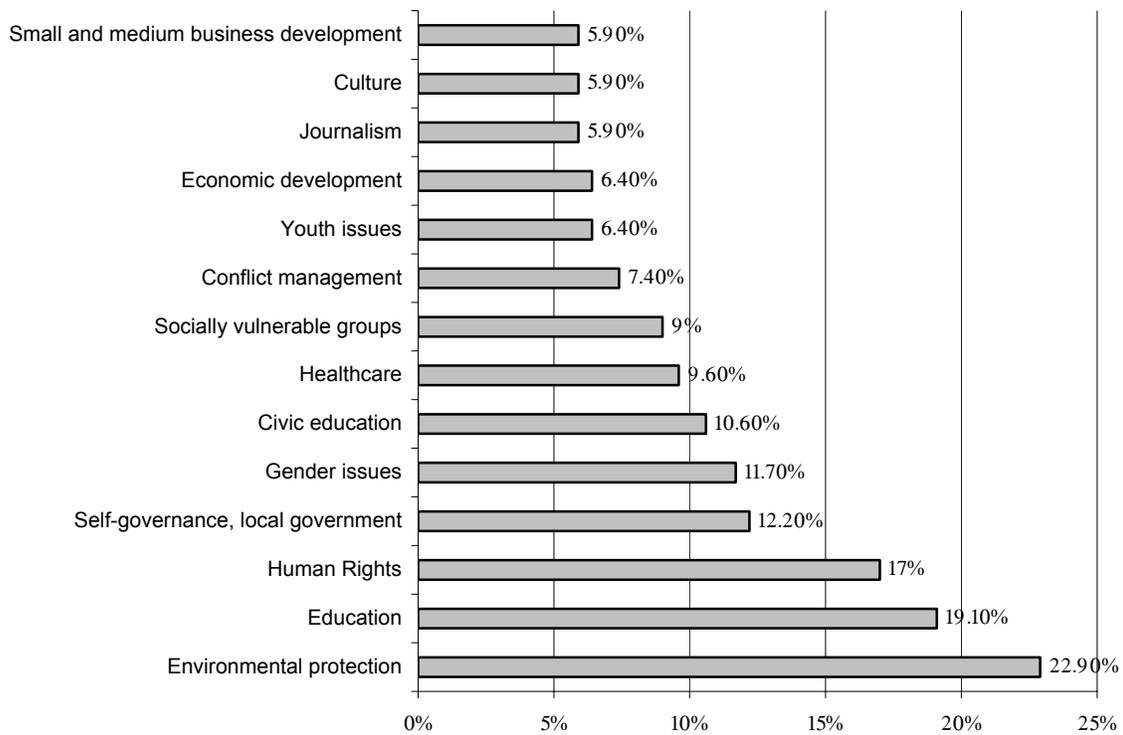
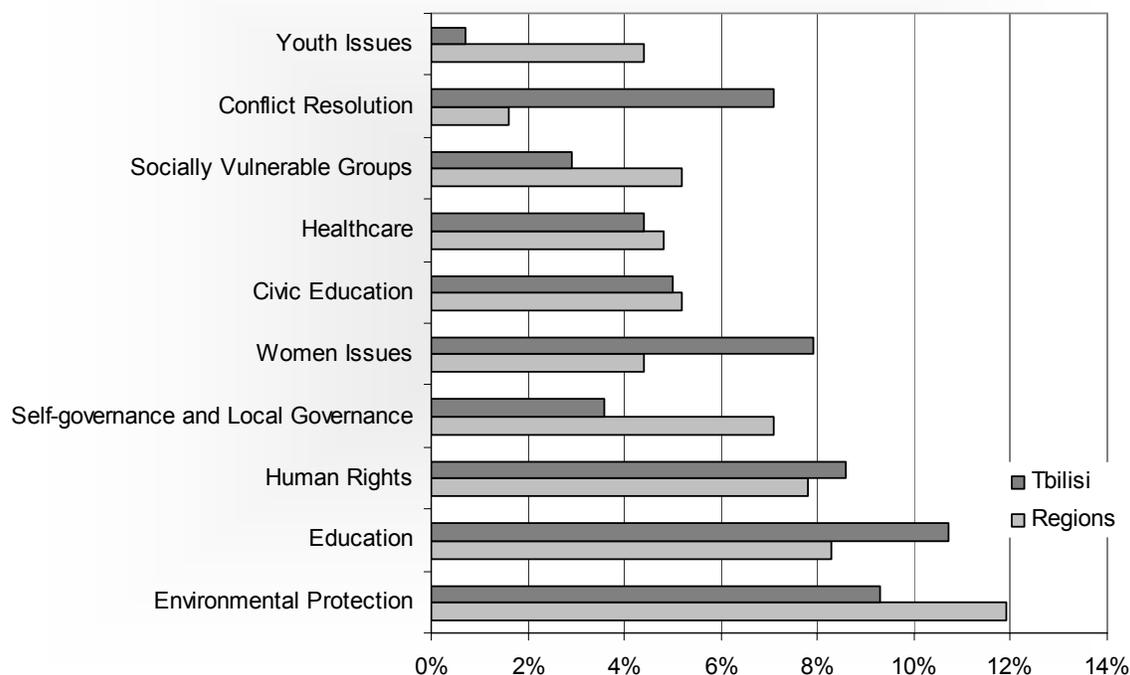


Chart 1.5.2 shows comparisons of the Tbilisi and regional CSOs by area of activities. The gap is most considerable in conflict resolution and youth-related issues.

1.5.2 Activity Directions



Previous charts showed activity directions practiced the most among NGOs, while Table 1.6 below gives a full activity list together with the corresponding percentage indicators and the number of organizations quoting to be working in each direction.

#	Activity Direction	%	Number of NGOs
1	Human Rights	18,1	34
2	Conflict Resolution	7,4	14
3	Healthcare	10,1	19
4	Employment	1,6	3
5	Psychological Rehabilitation	5,3	10
6	Monitoring of Elections	1,1	2
7	Monitoring of State Agencies' Activities	1,1	2
8	Legislative Work	2,7	5
9	Preventing Substance Abuse	1,1	2
10	Anti-corruption Activities	3,7	7
11	Journalism	5,9	11
12	Environmental Protection	22,0	43
13	Science/research	3,7	7
14	Cartography	0,5	1
15	Civic Education	11,2	21

16	Culture	5,9	11
17	Disability issues	3,7	7
18	Children	4,8	9
19	Financial Management	0,5	1
20	Self-governance and Local Governance	12,2	23
21	Socially Vulnerable Groups	9,0	17
22	Renewable power sources and energy efficiency	2,1	4
23	Community Mobilization	4,8	9
24	Women Issues	11,7	22
25	Organizational Psychology	0,5	1
26	Regional Development	0,5	1
27	Construction Work	0,5	1
28	Promotion of Agricultural Activities	3,7	8
29	Youth Issues	6,4	12
30	Education	19,1	36
31	Small and Middle Business Development	5,9	11
32	Library Personnel Support	0,5	1
33	International Cooperation	1,1	2
34	Displacement issues	3,7	7
35	Labor Unions	0,5	1
36	Civil development	3,7	7
37	Development of Information Technologies	2,1	4
38	Publications	0,5	1
39	Economic development	6,4	12
40	Social Issues	3,2	6
41	Organizational Development	2,7	5

Table 1.6

Organizations in each of the regions differ by the preferred fields of activity. In Adjara, most CSOs work on Human Rights protection (37,5%) and journalism (37,5%). In of Guria promotion of self-governance and local governance was the most often quoted field (33,3%), with civic education being second (20,0%). Kakheti-based organizations are involved mostly in environmental protection (30,4%), self-governance and local governance, youth-related problems and educational activities, with an identical percentage indicator for the last three directions (26,1%). Priorities for CSOs in Racha are environmental protection (62,5%), educational activities and social issues (25,0%). In Samtskhe CSOs work on environmental protection (66,7%), women-related issues (33,3%), promotion of small business (22,2%) and protection of socially vulnerable groups (22,2%); in Imereti – Human Rights protection (47,6%) and educational activities

(23,8%); in Samegrelo – civil education (25%), community mobilization⁷ (25,0%), promotion of agricultural (20,8%) and educational activities (20,8%).

⁷ Organizations working on community mobilization did not represent a target for this research. Thus, it is likely that there are more groups working on these issues.

CRITERION 2 – EXTERNAL RELATIONS

Cumulative Average – 2.53

The following 5 sub-criteria have been identified to assess the breadth and contents of external relations:

- 2.1. Cooperation with other NGOs (relations, experience of implementing joint projects, experience of coalition-building/networking);
- 2.2. Methods and consistency of information dissemination;
- 2.3. Cooperation with mass media;
- 2.4. Cooperation with private business;
- 2.5. Cooperation with governmental agencies.

Each organization has been evaluated on a 4-point scale according to the above sub-criteria, and an average for external relations was calculated for each. Majority of assessed CSOs scored 2.7 on a 4-point scale; the mean score equals 2.5.

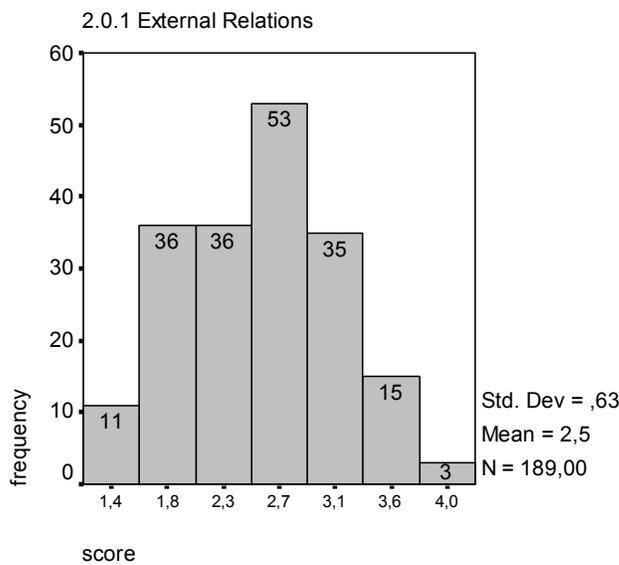
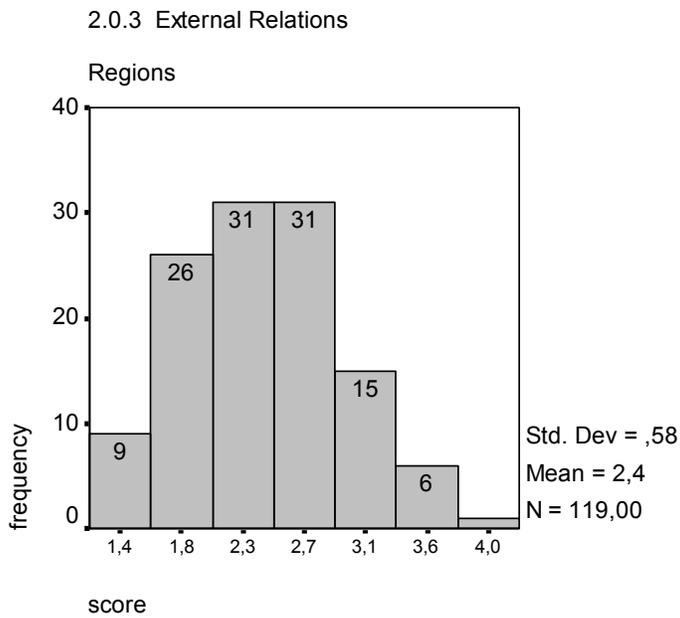
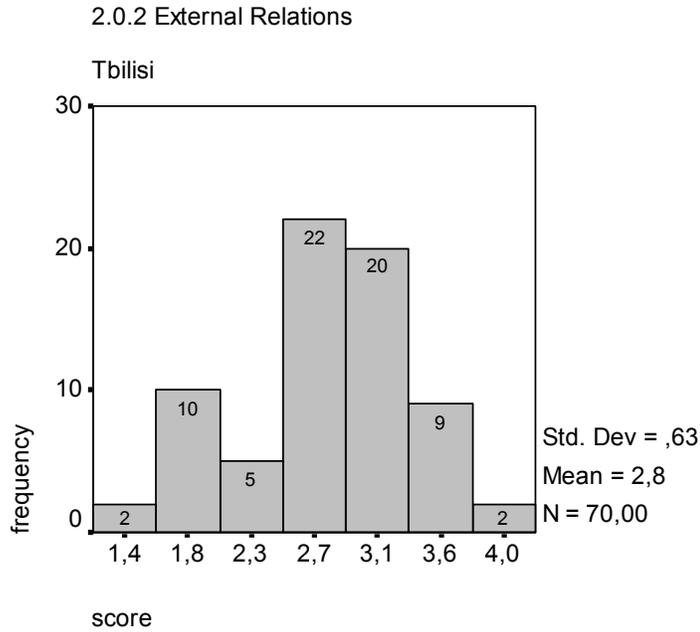


Chart notes: The charts depict a portion of the interviewed organizations according to points generated by them in an external relation component. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.



There is no statistically significant difference between the Tbilisi-based and regional CSOs. The mean score for regions is 2.4, for Tbilisi – 2.8.

2.0.4 External Relations

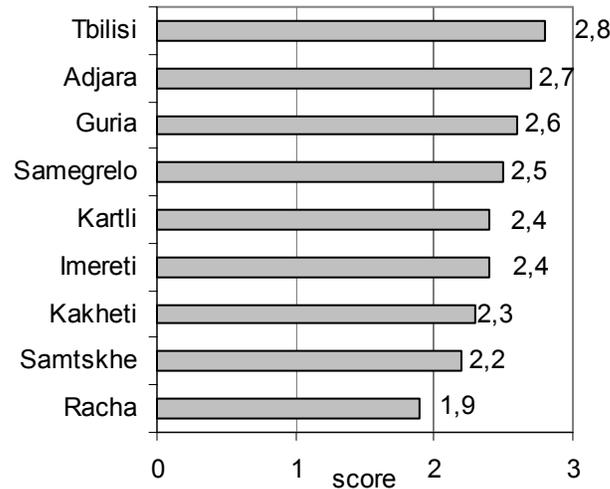


Chart 2.0.4 above demonstrates the distribution of scores by region. Surveyed CSOs in Tbilisi, Adjara, Guria and Samegrelo have higher mean scores. Generally the difference between the regions under this criterion is rather small compared to other criteria. Racha is the only exception as the CSOs are rather young in this province, and lack the means for communication (Internet is unavailable, only one local newspaper is published. See below).

A significant correlation has been identified between organizations' age and the rate of external relations development (correlation coefficient – 0.413, relevance at 0.01 level). The 'older' the CSO is the more likely it is to have established external links.

2.1 Cooperation with other CSOs

This sub-criterion was designed to assess the extent of relations with other CSOs, specifically in terms of joint project implementation and experience with coalition-building and networking.

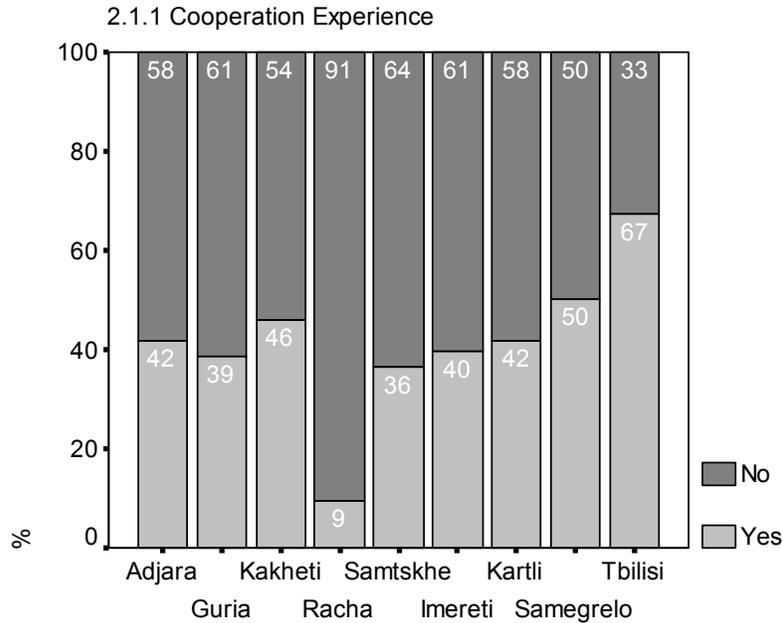
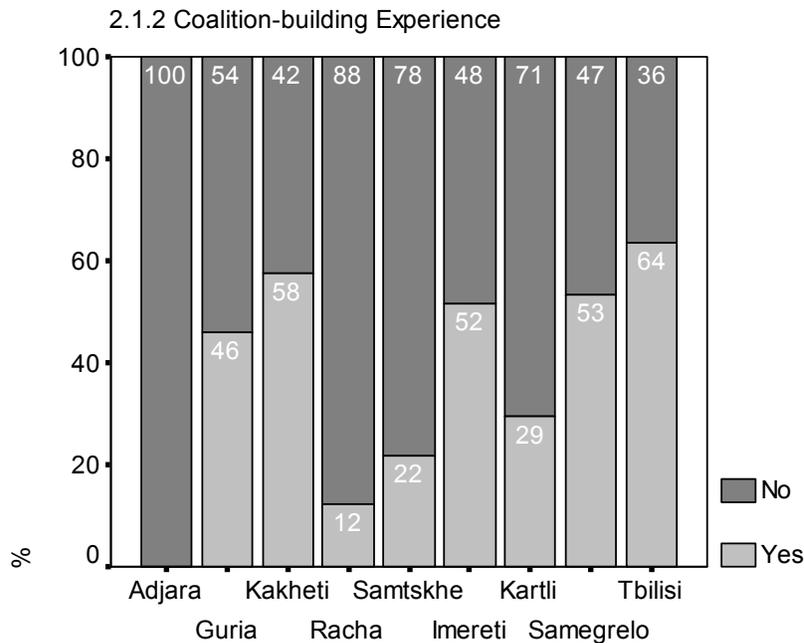


Chart 2.1.1 above shows that Tbilisi-based and Samegrelo organizations are leading in joint activities, while this experience is practically non-existent in Racha.



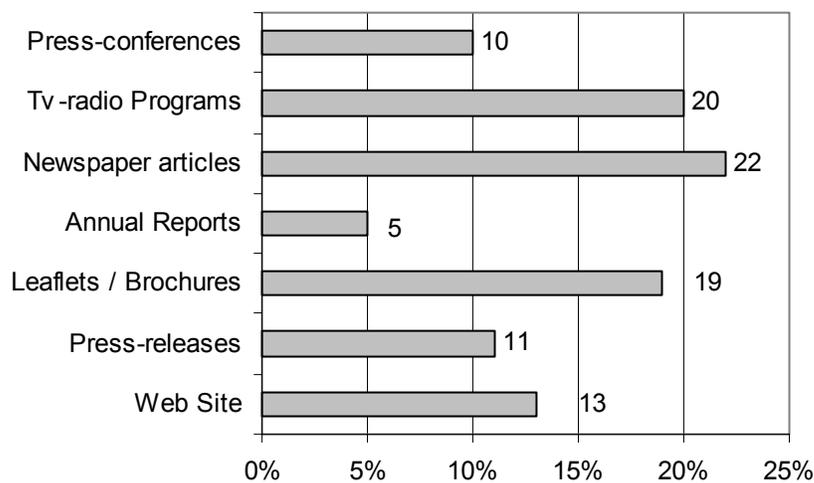
On the other hand there is no experience of coalition-building in Adjara. Among the remaining regions, this indicator is quite high in Kakheti, Samegrelo and Imereti (respectively 58%, 53% and 52% of interviewed organizations). However, the interviews showed that the coalitions were mainly established at the initiative of donor organizations.

2.2 Methods and consistency of information dissemination

Information dissemination methods and consistency constituted another sub-criterion for evaluation of external relations.

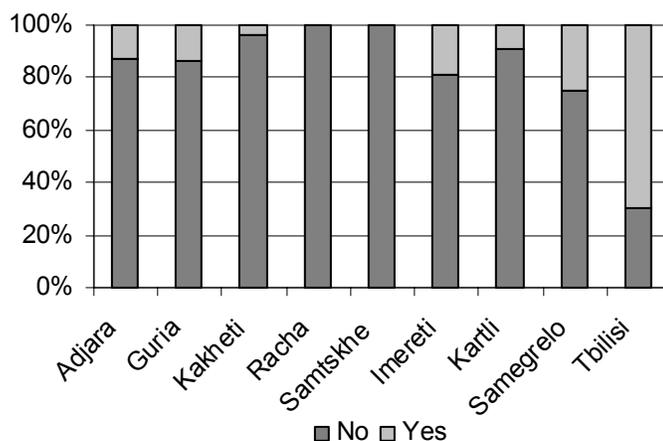
Widely practiced forms of information dissemination are newspaper articles, TV/radio programs and publication of booklets on the organization's activities.

2.2.1 Information Dissemination Methods



65% of Tbilisi-based organizations operate web pages. In the regions internet publicity is more underdeveloped, particularly in Kakheti, Racha and Samtskhe. Samegrelo and Imereti lead the way under this parameter outside of the capital.

2.2.2 Web Site



The research showed that pre-planned and regular information activities are conducted rather rarely. This applies to publication of annual reports, distribution of press releases, and organizing press conferences.

Table 2.1 demonstrates quantitative and percentage indicators of organizations that use press releases, annual reports and press conferences as forms of public relations by CSO tier.

Table 2.1 Usage of advanced public relations tools

Tiers	Press Releases	Annual report	Press Conferences
1	17	11	15
2	20	11	19
3	15	3	14
4	3		2
Total	55	25	50
% ⁸	(29%)	(13%)	(26%)

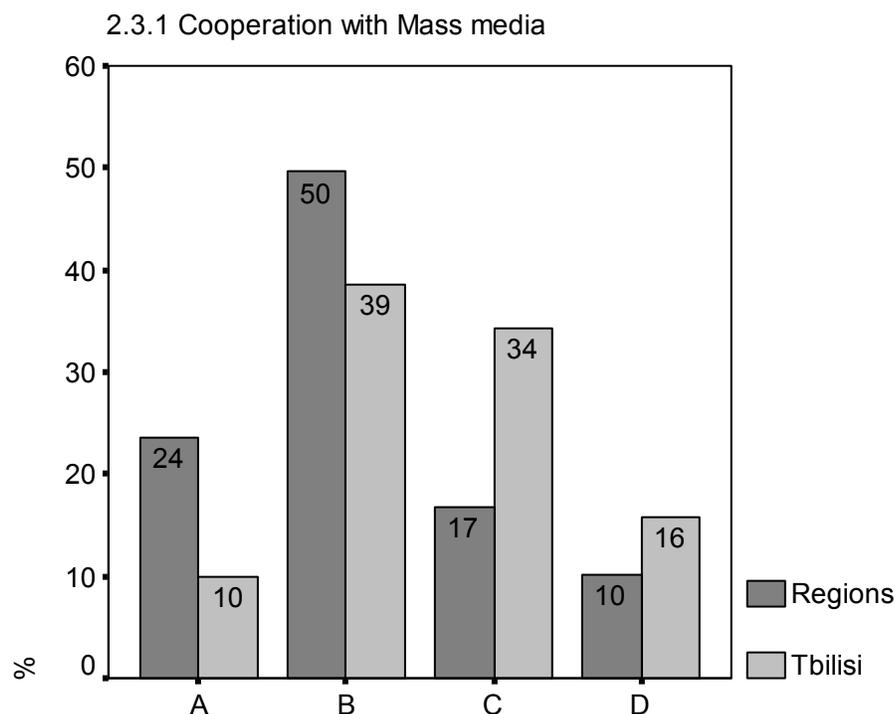
Public relations tools were found least sophisticated and frequent in Kakheti and Racha.

⁸ % indicators are given with respect to a gross number of interviewed NGOs

2.3 Cooperation with mass media

In evaluating the extent of CSO relations to the media, the following groups have been identified:

- A. Organizations not cooperating with mass media;
- B. Organizations that cooperate at the initiative of the media (for instance, a media asks CSOs for quotes and/or interviews)
- C. Organizations that buy broadcasting time or newspaper space for publicity;
- D. Organizations that implement joint activities with the media, or have their own media outlet (radio, newspaper) either as a part of the organization or as a separate project.



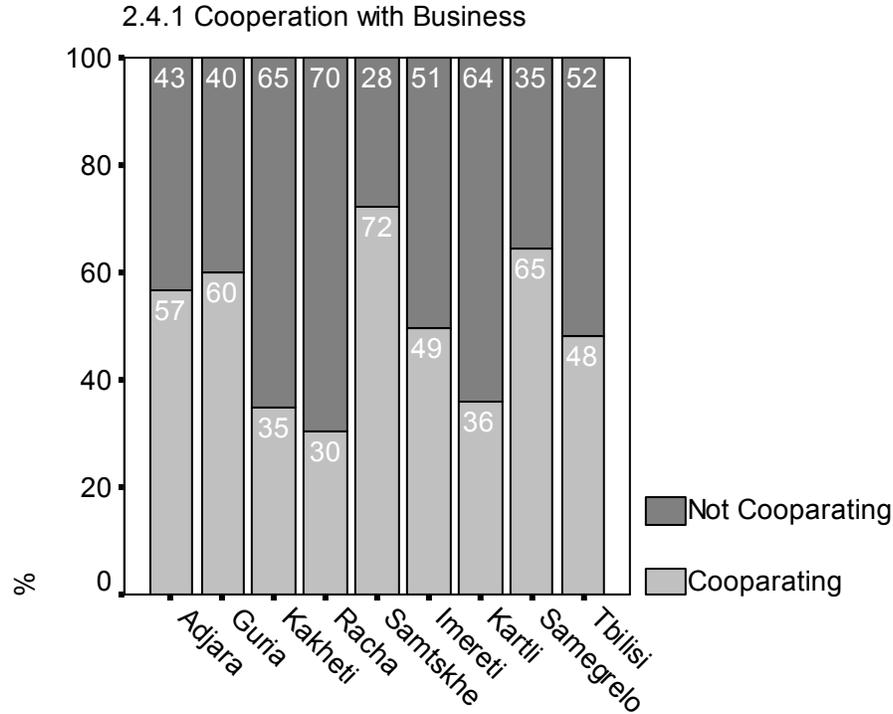
Cooperation with mass media (television, press) is extensive in Kartli – (91% TV, 82% press), followed by Tbilisi (58%, 65%); Guria (47%, 67%); Imereti (52%, 67%); Adjara (38%, 75%); Samegrelo (50%, 63%).

Generally, in regions where private media exists, the level of cooperation is quite high. Just like in the regions, there are quite a few Tbilisi-based organizations actively disseminating information through mass media. However, it is usually the media that initiates the relation with the CSOs. (Chart 2.3.1).

There are very few organizations disseminating information through annual reports, web pages, systematic relations with media, or personal program/newspaper.

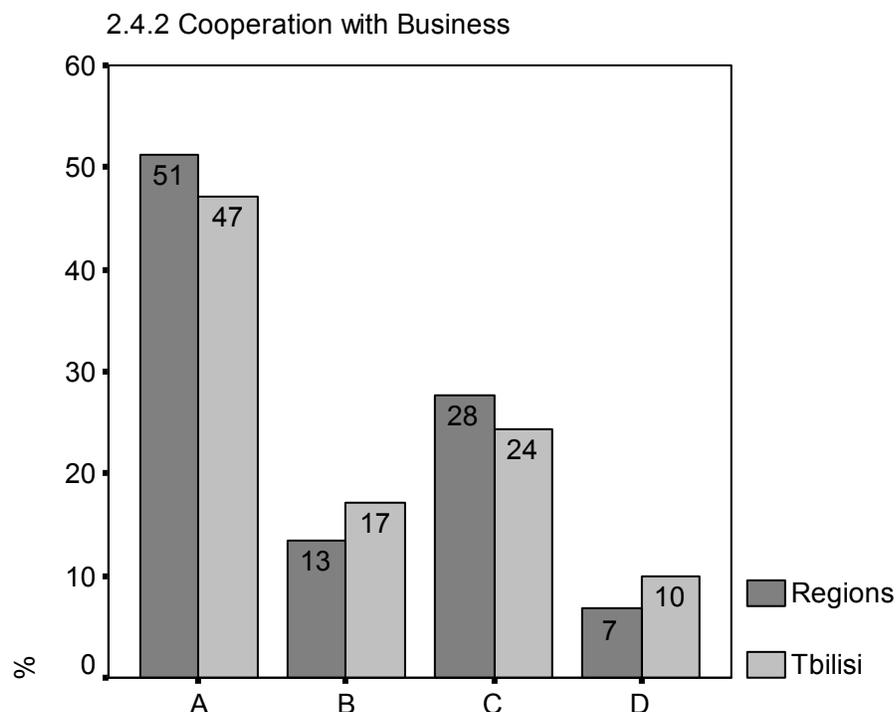
2.4 Cooperation with business

Chart 2.4.1 shows a breakdown of the percentage indicators of cooperation with business (of any kind) by region. The highest indicators have been displayed in Samtskhe-Javakheti and Samegrelo (72%, 65%); the lowest – in Kartli, Kakheti, and Racha (36%, 35%, 30%).



Four possible modes of CSO cooperation with businesses were evaluated:

- A. Organizations not cooperating with business circles;
- B. Business assisting an organization financially/one-time financial support;
- C. Organizations offering services to the business;
- D. Existing experience of jointly implemented activities.



Both in Tbilisi and the regions, CSO services to businesses are the most dominant way of interaction between these two sectors (28% Tbilisi, 24% regions). Types of services types are mainly trainings, drafting business plans, and consulting.

Cases of jointly implemented activities or business assisting the civil sector are considerably rare. The business sector has not supported public organizations financially in Adjara, Racha or Samtskhe-Javakheti. No cases of joint cooperation/activities between businesses and the public sectors have been identified in Adjara, Racha and Imereti.

2.5 Cooperation with governmental agencies

Organizations were divided into 4 categories according to cooperation with governmental agencies:

- A. Organizations having no relations with governmental agencies;
- B. Organizations exchanging information with governmental agencies;
- C. One-way street: civil organization offering services/assistance;
- D. Joint/partnership activities.

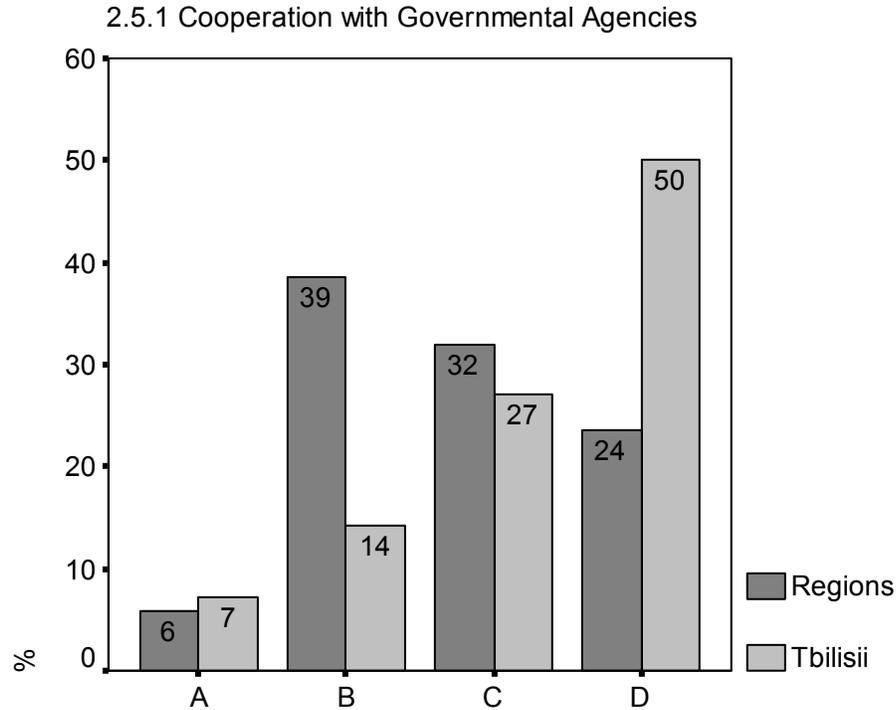


Chart 2.5.1 demonstrates that information exchange is the most frequently (39%) applied between CSOs and state agencies on a regional level. Tbilisi-based CSOs practice more implementation of joint activities (50%), which implies mainly an involvement in legal drafting and policy review, and assistance in development of state programs in various fields.

Despite a fairly extensive record of cooperation, relation with state agencies (central and local) was mentioned to as one of the main problems for CSOs in 7 regions (except Samtskhe-Javakheti and Racha). However the majority of CSOs that evaluated their relations with state agencies maintained interactions with various governmental agencies and institutions. They also continue to have relations with these agencies, through implementing joint activities and that provide services in Tbilisi and on a regional levels.

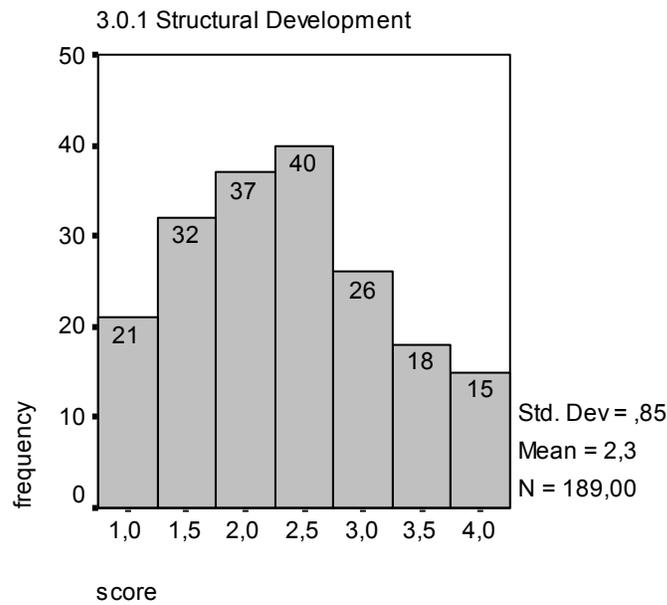
Table 2.2 Organizations encountering problems in relations with state structures

	Have no Relations	Information Exchange	Providing Services	Joint Activities	Total
	1	2	3	4	
Adjara		1(2.8%)	2 (5.6%)		3 (8.3%)
Guria		1(2.8%)	2 (5.6%)		3 (8.3%)
Kakheti		1(2.8%)	2 (5.6%)	2 (5.6%)	5(14%)
Imereti				1(2.8%)	1(2.8%)
Kartli			1(2.8%)	1(2.8%)	2 (5.6%)
Samegrelo	1(2.8%)		1(2.8%)		2 (5.6%)
Tbilisi		4(11%)	5(14%)	11(30%)	20(55%)
Total	1(2.8%)	7(19%)	13(36%)	15(41%)	36(100%)

CRITERION 3 – STRUCTURE
Cumulative Average – 2.26

Following features have been defined for examining organizations' structural development:

- 3.1 Organizational structure and separation of managerial responsibilities;
- 3.2 Separation of the executive unit/function from decision-making unit/function;
- 3.3 Definition of personnel's rights and responsibilities;
- 3.4 Decision-making style/procedures.



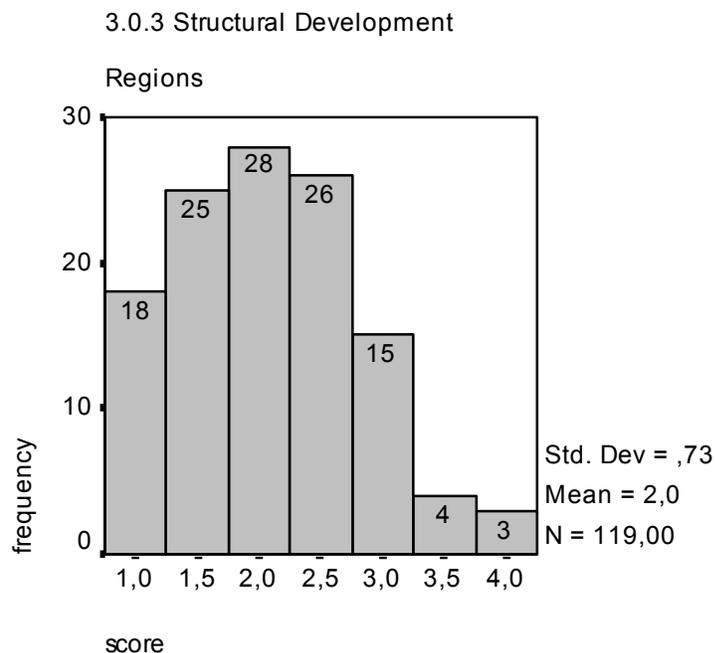
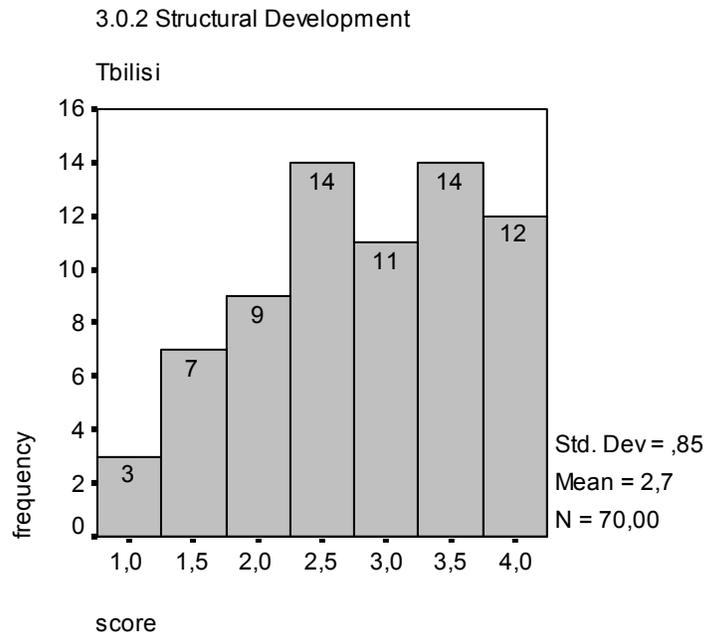


Chart 3.0.1 shows the mean point of structural development of the surveyed organizations (N=189) equals 2.26.⁹ Quite a substantial number of organizations – 40, is rated within the 2-2,5 range. Tbilisi-based CSOs have scored significantly higher on this criterion, the majority being within the 2.5–4 range, while regional organizations scored mostly within the 1- 2.5 range on a 4-point scale.

⁹ Displayed charts show the proportion of interviewed organizations according to points generated by them in structural development component. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.

3.0.4 Structural Development

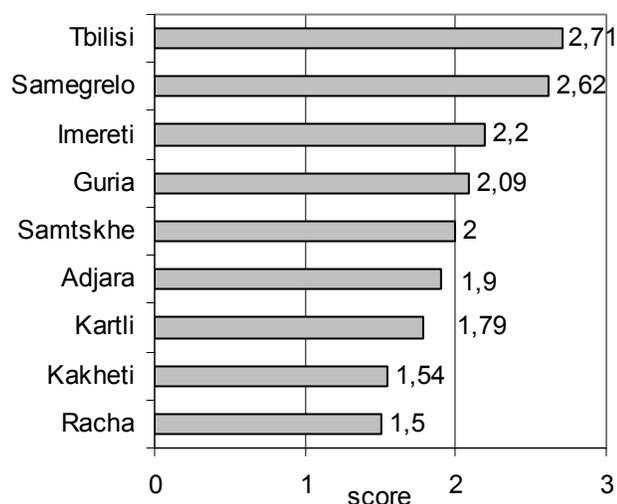


Chart 3.0.4. compares the organizations from each region by their level of structural development. Surveyed organizations in Samegrelo featured higher scores than these from other regions. This can be attributed to a larger scale of activities and closer attention of international donors present in the administrative center of Zugdidi. The lowest scores were accumulated in Kakheti and Racha, which is not surprising as there is only a nascent CSO sector in these regions.

3.1 Organizational structure and separation of managerial responsibilities;

Only 36.5% of the interviewed CSOs were able to present an organizational chart. Among these are approximately half of the capital-based organizations (51.5%) and less than a third of regional ones (27.7%).

CSOs with an Organizational Chart			
	Tbilisi	Region	Total
Number	36	33	69
Percent ¹⁰	51,5%	27,7%	36,5%
Total	70	119	189

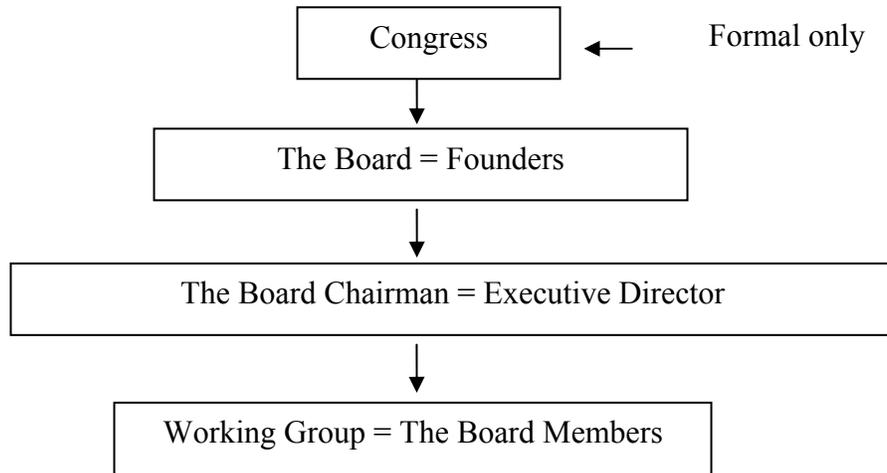
Basic Structural Layouts

Based on presented organizational charts and interviews, the research team has identified three typical layouts characteristic of the various tiers, which are presented below.

¹⁰ Percent is computed from the number of capital-based (70) and regional (119) NGOs and the gross number (189) correspondingly.

Layout I

Organizational Chart of Tier Organizations

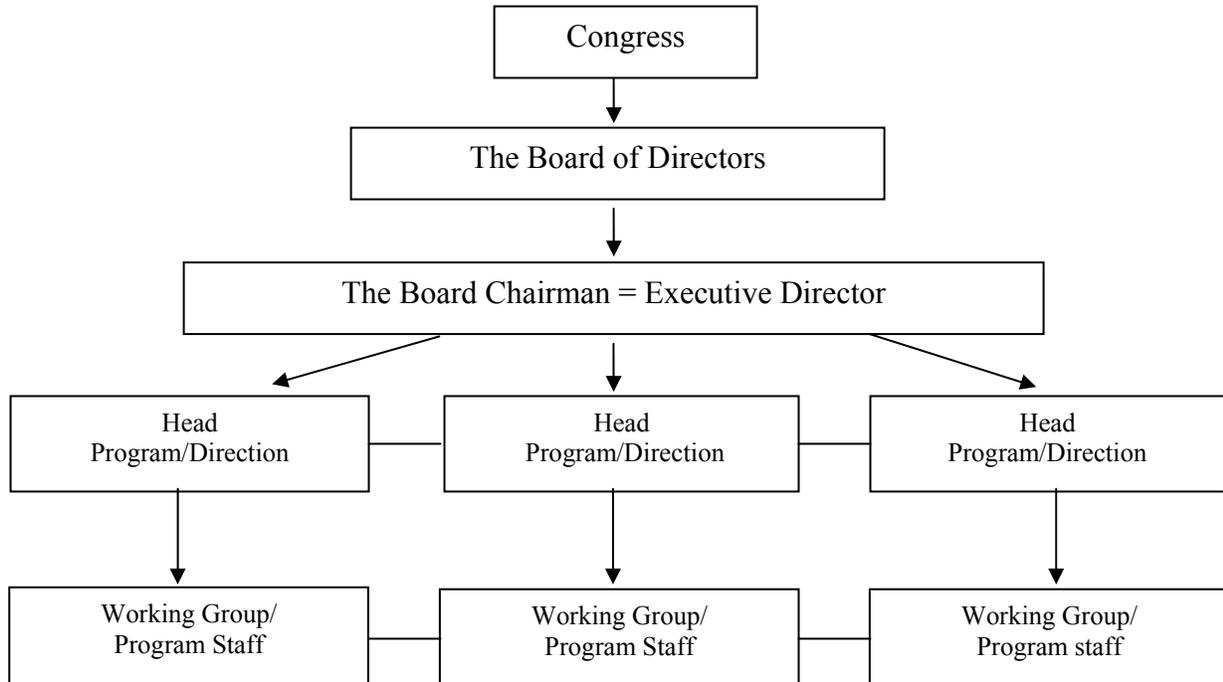


A Congress is obligatory by the legislation; however in these organizations, it exists as a formality only.¹¹ The founders, the Board members and major staff/working personnel are the same people. The Board Chairman also acts as a chief executive.

Layout II

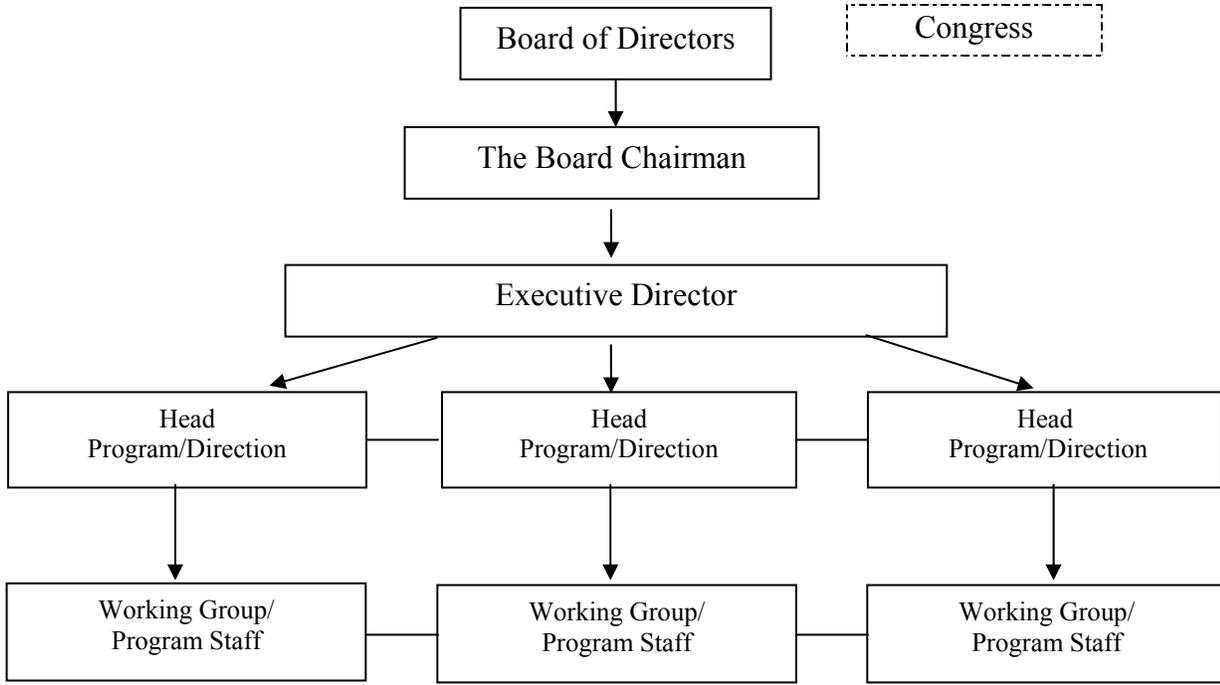
Organizational Chart of Tier 2 Organizations

¹¹ Georgian legislation identifies two types of CSOs: membership-based (Associations or Unions) and funds-based (Foundations). Associations are legislatively obliged to have a Congress (meeting of all members) as a supreme body. However, the legislation is incomplete in failing to define some other types of CSOs (for instance think-tanks), which are not membership-based, but are not foundations either. In practice, most of these organizations are registered as Associations, and the Congress is a formal institution only. This is practiced across the tiers of CSOs.



A middle management level has been shaped in Tier 2 organizations. Programs, projects, and activity directions are led by corresponding managers. Program directors in certain cases are directly subordinate to the head of an organization, and sometimes participate in joint decision-making. Frequently, program directors are also board members. The executive director and the Board chairman are the same person. General meetings carry certain functional significance, although only in membership-based organizations. The Board members in these organizations meet regularly or when needed, with functions of consulting, discussing problematic issues, recruiting new staff members, identifying future activity directions, and evaluating implemented activities.

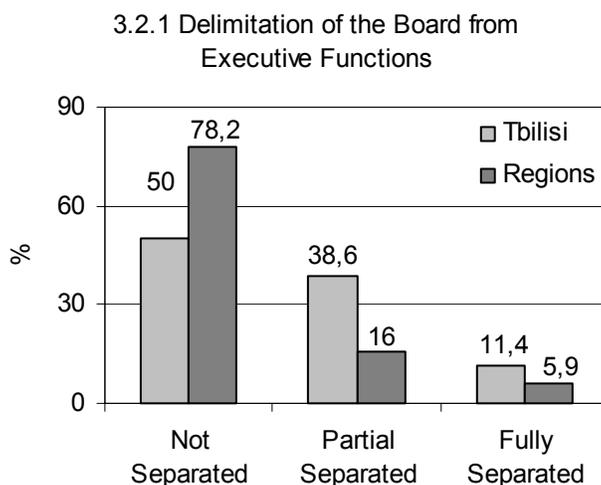
Layout III Organizational Chart of Tier 1 Organizations



Tier 1 organizations have started to separate the governing and executive functions. The Board is seen as a governing/overseers body, and it does not perform the executive functions. This separation is achieved in two ways: some organizations invite external boards, mainly representatives of other strong CSOs - to the Board, while others recruit Board members from within the organization, inasmuch as this person relinquishes most of his/her executive functions. The Board work process is formalized; it meets regularly. The Board has the governance and strategic planning functions, i.e. it makes the decisions on major issues affecting the whole organization, and sets the broad strategy in terms of areas of activity and growth, donor relations, etc. As a rule, the Board chairman and chief executive are different people. The Board membership is rotating. The Congress has actual significance within membership-based organizations.

3.2 Separation of the governance and executive bodies

Separation of the Board, as a governance and overseers body, from the executive was regarded by USAID as one of the main criteria for organizational development. Within the research framework, 3 different levels of delimitation have been identified: not separated, partially separated, and fully separated. Partial separation implies that only a part of the Board members is involved in ongoing activities, and the Board chairman and the executive director are different people. Chart 3.5 demonstrates that in only a fraction of these organizations is the Board is fully independent. The governance/overseers functions are partially separated from the executive responsibilities in 38% of capital-based and 16% of regional organizations.



The research has shown a very weak correlation between the degree of separation of the governance and executive functions and the “age” of organizations (Spearman Correlation¹²=0.212, Sig = .000).

The correlation between the existence of such separation and the degree of overall development (as defined by the Tiers) is also weak. (Spearman Correlation = 0.438, Sig = .000). This means that the organizations with separated governance and executive functions are not necessarily the most developed ones. One explanation for this phenomenon, donor agencies frequently insist on separation of these functions in CSOs they partner with. This especially applies to CSOs that have a core donor. In these cases, relatively ‘young’ CSO may feature an independent board, but still be weak in other components. On the other hand, some organizations that score high on most of the other criteria have not yet arrived at having a fully independent board. It has to be noted that most of the Tier 1 organizations have at least partially independent boards.

¹² Coefficient -1 > Spearman Correlation < 1, coefficient mark points at the causality (direct/reverse) of the link, and absolute value – at its strength.

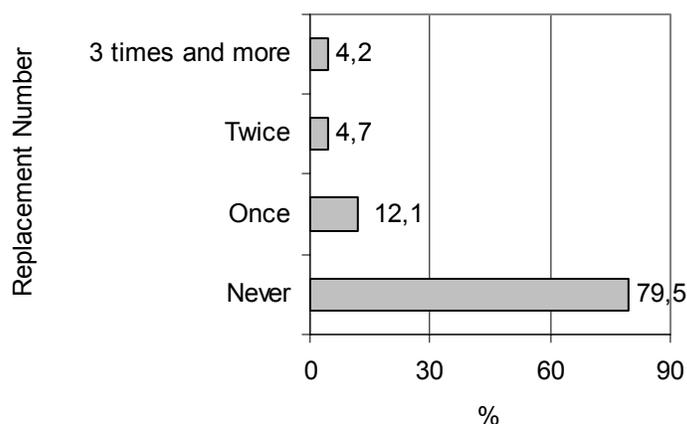
The research has also examined board composition, rotation and Board Chairmanship issues. The Board composition has changed based on formal procedure (rotation or otherwise) only in 24 organizations (12% of the total surveyed). Changes in the boards of other organizations mainly occurred based on personal wishes of the Board members – some of them have resigned voluntarily, others have changed place of residence and were not able to participate in board meetings, etc.

	Rotation Mechanism Does Not Exist	Rotation Mechanism Exists	Total
No Changes in Board	114 (60.3%)*	14 (7.4%)	128 (67.7%)
Changes in Board	37 (19.5%)	24 (12%)	61 (32.3%)
Total	151 (79.9%)	38 (20%)	189 (100%)

*Percentage is calculated from the gross number (N=189).

Chart 3.2.2 shows that the Board Chairman was replaced only in 21% of the surveyed CSOs.

3.2.2 Replacing of the Board Chairman



3.3 Definition of personnel’s rights and responsibilities

Four main styles of defining personnel rights and responsibilities have been identified. A table below demonstrates the number of organizations and percentage data under each of these styles. Personnel responsibilities are not defined at all or are defined only orally in 41% of CSOs. Approximately one third of the organizations has included job descriptions in their labor contracts.

Personnel Rights/Duties Defined by	Number	%	
Not Defined	46	24,3	} 41,1%
Defined Orally	32	16,9	

Defined by Labor Contracts	52	27,5
Job Descriptions in Addition to Labor Contracts	59	31,2

3.4 Decision-making methods

In less than one-third (29.1%) of the interviewed organizations, the decision-making process is not formalized despite the fact that active CSO members (mainly the Board members) make the decisions jointly.

In one-fourth of the organizations (24.9%), an executive makes the decisions, while in one-third – program directors or deputy directors are consulted.

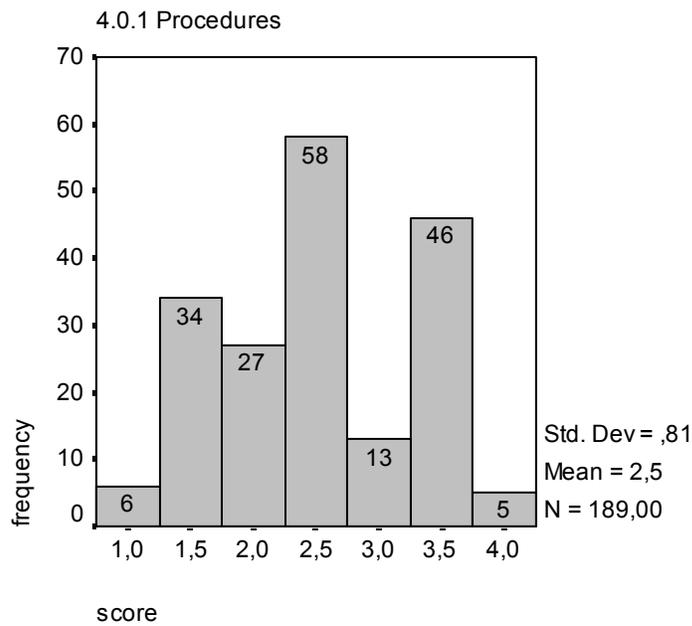
In 13.2% decisions are made by the team (which includes either whole staff or the executive decision-making team consisting of the top and middle managers), and are based on procedures defined in the written organizational by-laws or otherwise.

CRITERION 4 – PROCEDURES

Cumulative Average – 2.53

The level of formalization of internal organizational procedures was based on the following sub-components:

- 4.1 Activity planning;
- 4.2 Performance evaluation process;
- 4.3 Maintenance of a documentation archive.



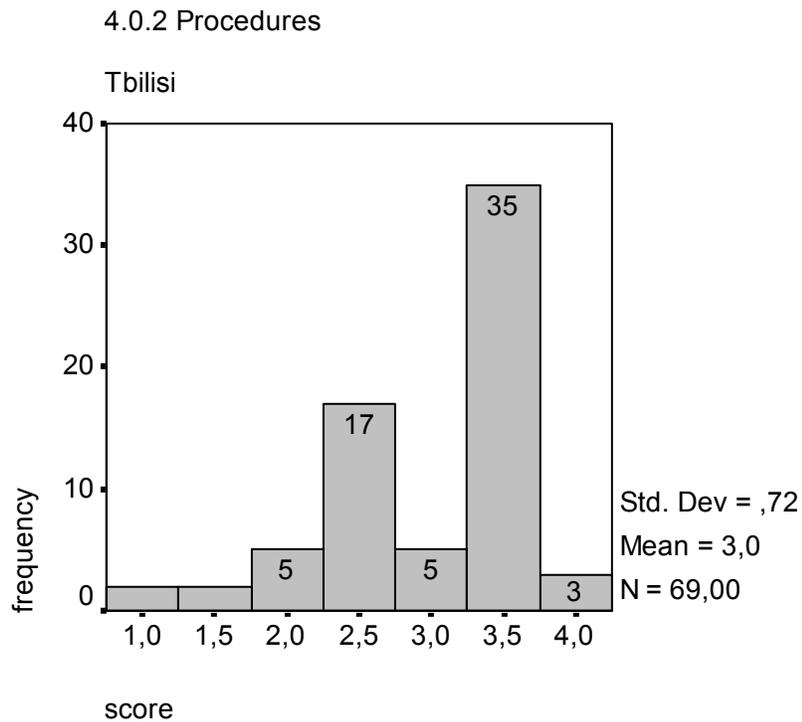
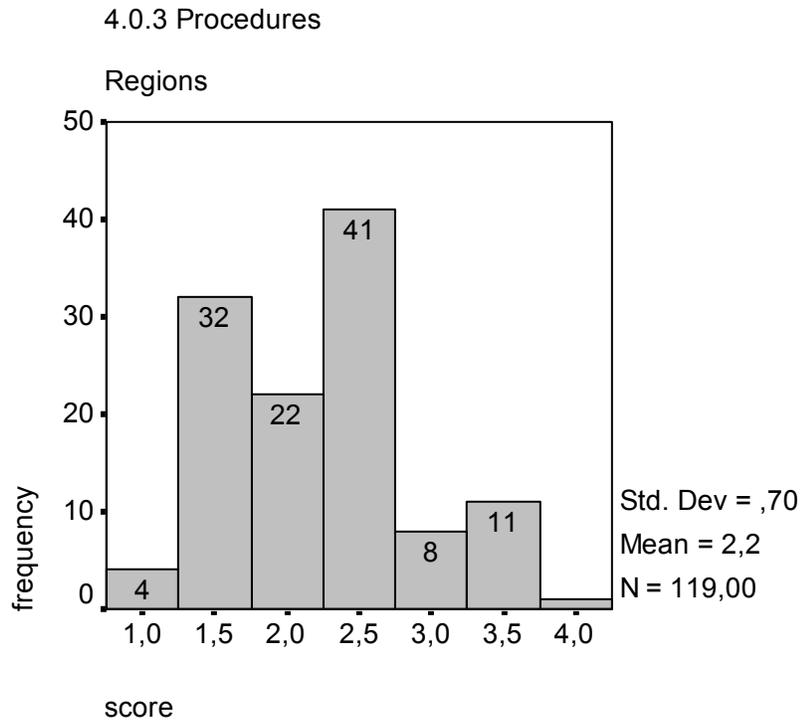


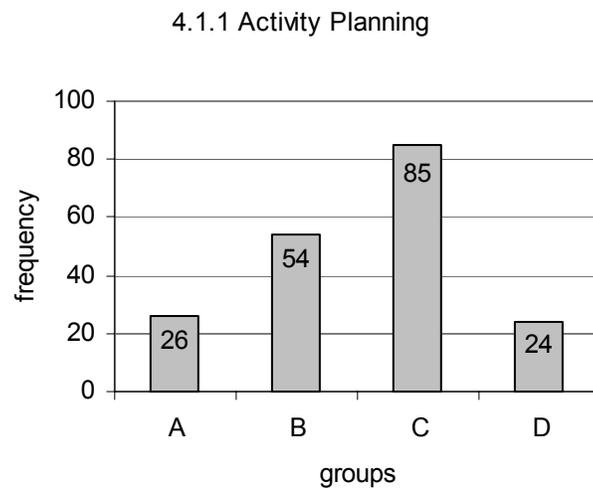
Chart 4.0.1¹³ shows that the levels of formalization of procedures differ considerably across the board. The largest group of organizations, scored around 2.5 points. The scores are significantly different in capital-based (3.5-4 range) and regional CSOs (1.5-2.5 range).

4.1 Activity planning

The following groups have been identified, among the interviewed CSOs, according to formalization of activity planning procedures:

- A. Activities are not planned;
- B. Activities are planned spontaneously, when needed;
- C. Either only long-term planning without further specifications or short-term monthly/weekly activity plans. Planning process coincides mainly with project planning;
- D. Middle and short-term calendar plans along with long-term strategic activity plans.

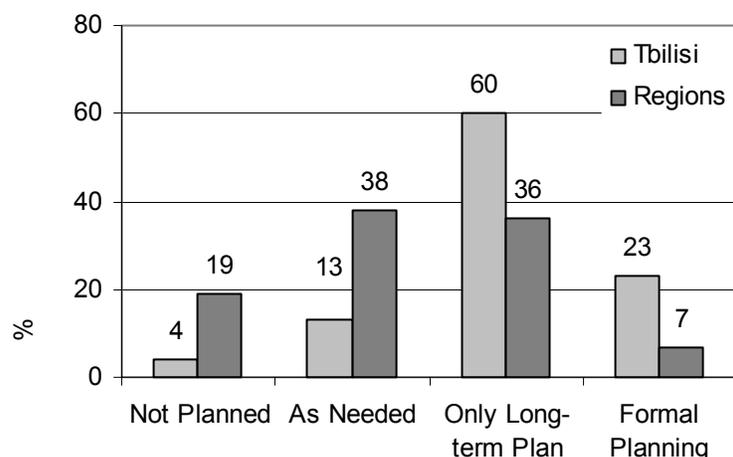
Chart 4.1.1 shows the distribution of surveyed CSOs in these groups. The biggest group consists of organizations with either only long-term activity planning without further specifications or short-term monthly/weekly activity plans (45%). The number of CSOs, with formalized, long, medium and short-term planning is relatively small (13%).



¹³ Displayed charts show the proportion of interviewed organizations according to scores under the given sub-criterion. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.

Comparison of Tbilisi-based and regional organizations (Chart 4.1.2) demonstrates that there are few CSOs in Tbilisi that do not plan activities at all or plan it spontaneously, as needed (17% of the organizations interviewed in Tbilisi). Contrary to that, there is quite a small percent (7%) of regional organizations that pursue formal planning procedures and develop long, middle and short-term activity plans.

4.1.2 Activity Planning



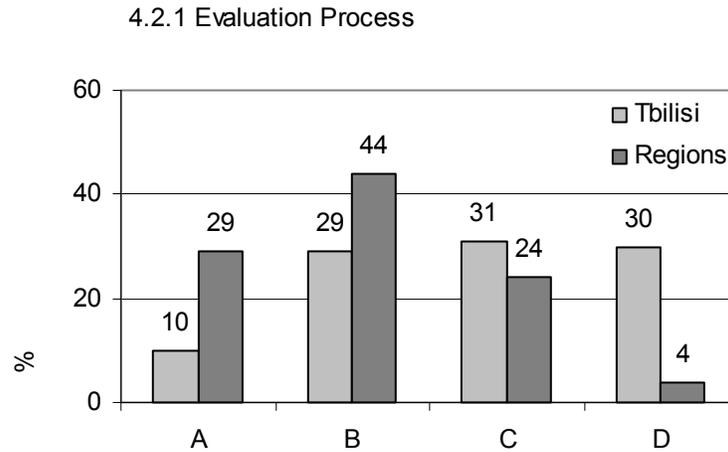
4.2 Performance evaluation process

A similar situation exists from the evaluation standpoint. Two-thirds of all organizations (27%+39%=66%) do not have formalized performance evaluation procedures. More than one-fifth of the organizations have introduced an internal reporting system (program director → head of organization → the Board), and only 12% has conducted an external evaluation (program audit) or an internal formal evaluation of activities based on pre-defined procedures and criteria. Rare incidences of external performance evaluations are typically associated by the interviewees with the lack of financial resources for this quite expensive service.

The following groups have been identified among interviewed NGOs according to formalization levels of evaluation procedures:

- A. Implemented activities are not evaluated;
- B. Implemented activities are evaluated only through discussions;
- C. Evaluation of implemented activities is limited to an internal reporting system (to the Board/congress) and project reports;
- D. Programs are evaluated, monitoring and evaluation procedures exist, external evaluation is conducted.

Chart 4.2.1. shows the distribution of the Tbilisi-based and regional organizations into these groups.



1.3 Maintenance of a documentation archive

Under this sub-criterion the following groups of organizations have been identified:

- A. Documentation is not archived, or only the founding documents (charter, registration letter, minutes of the founding congress etc.) are retained.
- B. Documentation of establishment period and one or two project reports are archived;
- C. All kinds of documentation are retained and archived, program and project reports are available;
- D. All of the listed documentation is maintained, including the audit/performance evaluation results.

4.3.1 Maintenance a Documentation

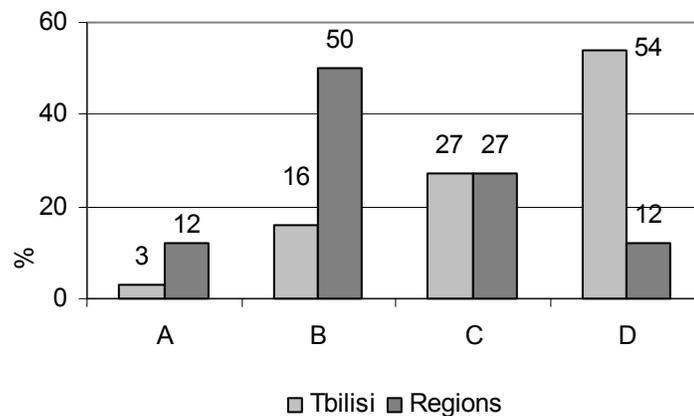


Chart 4.3.1, indicates that in Tbilisi and the regions there is an equal distribution (27%) of those organizations that maintain all necessary documentation (except financial and program audit). There are considerably more CSOs in Tbilisi that also maintain audit/formal evaluation results. This is likely to be linked to a higher level of sophistication of organizational procedures and better financial standing of these organizations. In almost a mirror image, in the regions there is a significant proportion of organizations (62%) that maintain only the founding documentation and/or one or two implemented project reports.

The research revealed that “older” organizations are more likely to score higher on the procedures criterion. This especially applies to archiving and maintenance of their documentation sub-criterion.

Table 4.1 displays average sub-criteria indicators for three groups split by their time of operation (Group 1: 1-4 years; Group 2: 5-9 years; Group 2: 10 and more years).

Table 4.1 Level of formalized procedures in consistency with age groups of NGOs

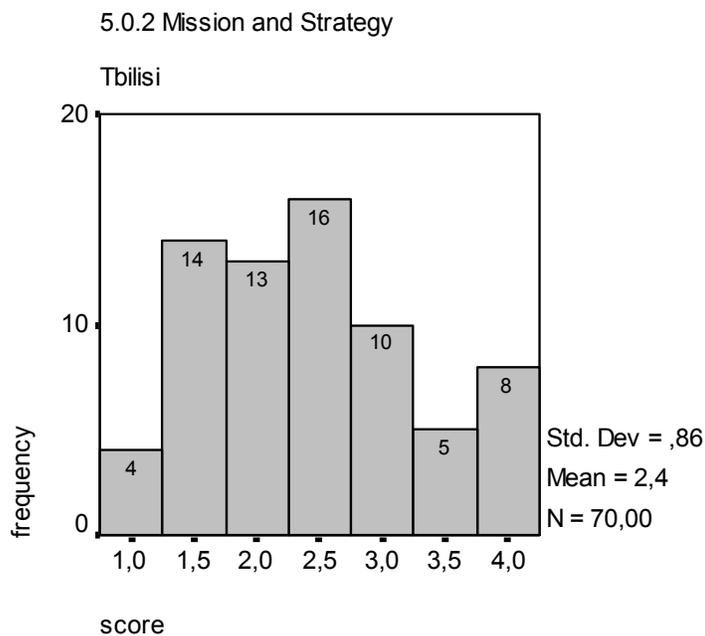
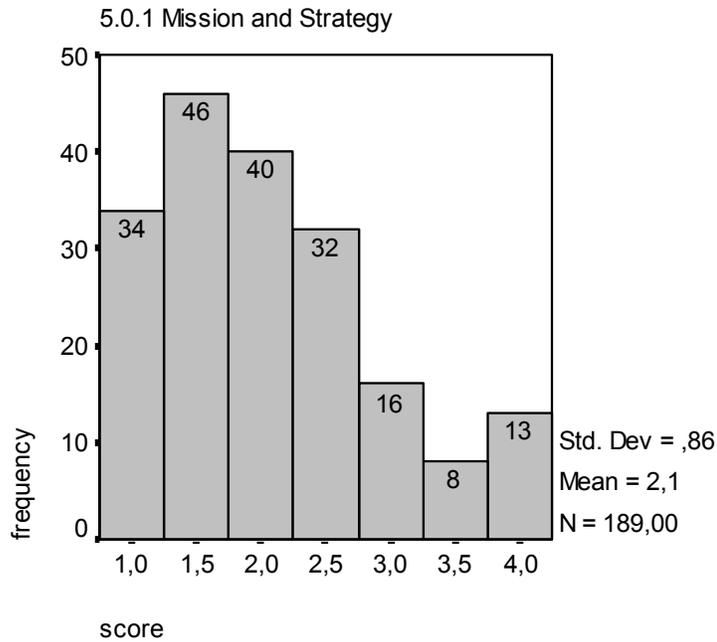
	Activity Planning	Documentation Maintenance	Evaluation
Years in operation	Average score	Average score	Average score
1-4	2	2	2
5-9	3	3	3
10 and more	3	4	3

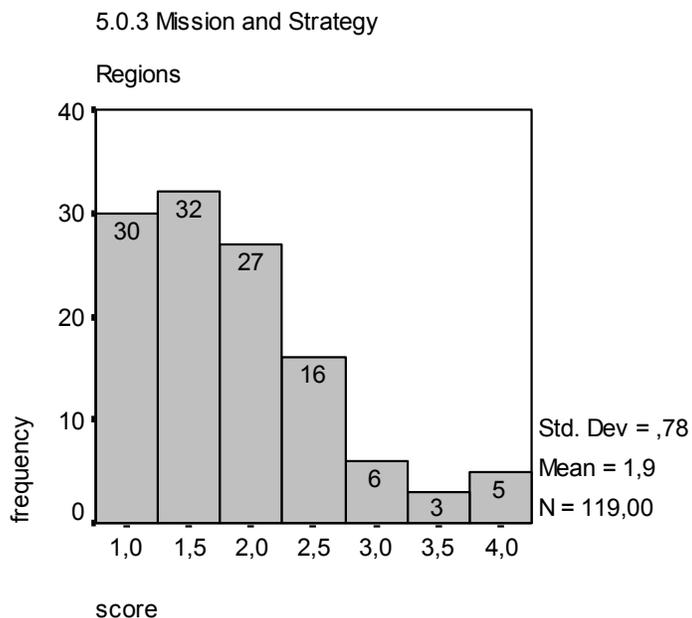
CRITERION 5 – MISSION AND STRATEGY

Cumulative Average – 2.07

This criterion consisted of two sub-criteria:

- 5.1 Mission statement;
- 5.2 Strategic planning.





As demonstrated by charts 5.0.1, 5.0.2, and 5.0.3¹⁴ above, average score of interviewed CSOs equals 2.07. Notably, this is the lowest cumulative score of all sub-criteria for both Tbilisi-based and regional CSOs. Yet, the average point of Tbilisi-based CSOs is comparatively higher.

5.1 Mission statement

A written mission statement is available in 35% of all organizations – almost half of capital-based CSOs and one-fourth of the regional ones.

Organizations with Mission Statement				
		Capital	Region	Total
Unavailable or only verbal	Number	36	90	126
	%	52.17%	74.38%	66.32%
Available	Number	33	31	64
	%	47.83%	25.62%	33.68%
Total	Number	69	121	190
	%	100.00%	100.00%	100.00%

5.2 Strategic planning

Almost half of the organizations do not have written activity plans. One-fifth of CSOs guides themselves by the objectives within a specific project/program. 7% follow long-term plans developed through strategic planning.

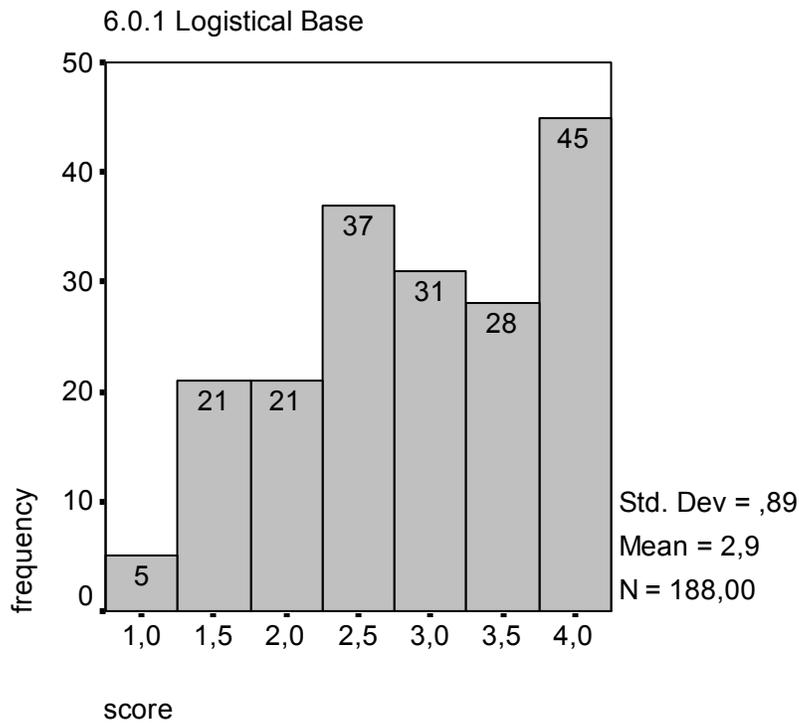
¹⁴ Displayed charts show the proportion of interviewed organizations according to scores under given sub-criterion. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.

CRITERION 6 – LOGISTICAL BASE

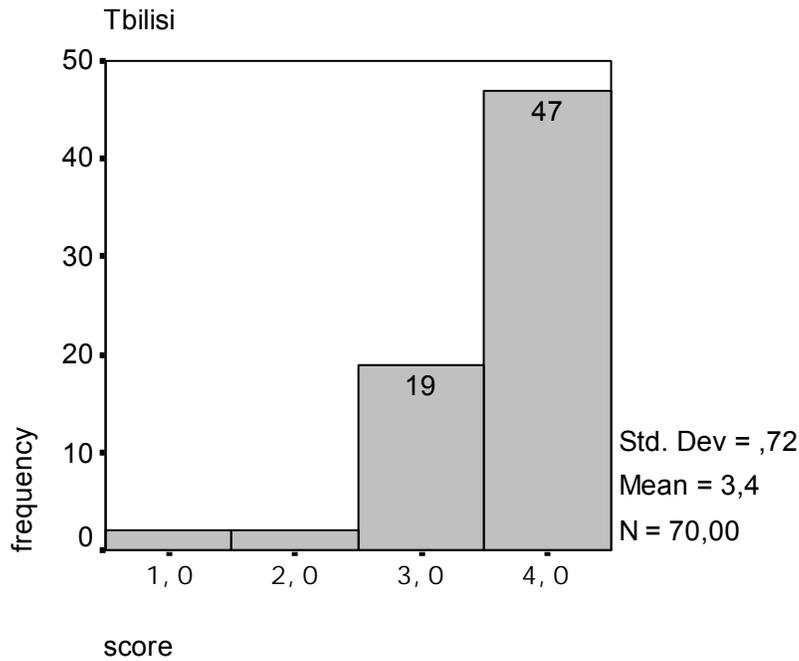
Cumulative Average – 2.9

Two basic components have been identified for examining the logistical base of organizations:

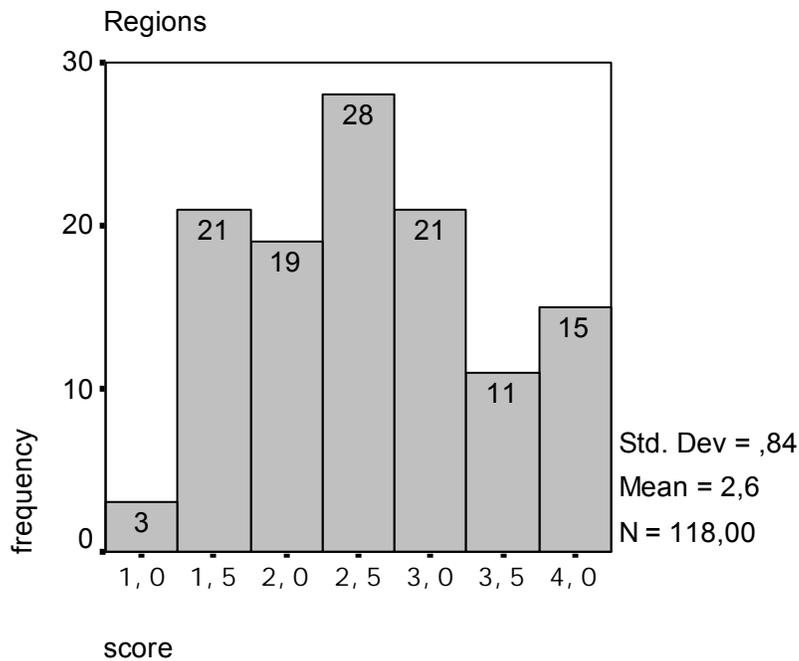
- 6.1 Office space;
- 6.2 Availability of communication and technical equipment.



6.0.2 Logistical Base



6.0.3 Logistical Base



Chart¹⁵ 6.0.1 demonstrates that the mean point for the logistical base among interviewed organizations¹⁶ equals 2.88 and the data falls mainly within the 2.5-4 range. A comparison of Tbilisi-based and regional organizations (Charts 6.0.2 and 6.0.3) clearly demonstrates that there is a better situation under this component in the capital than in the regions.

6.0.4 State of a Logistical Base

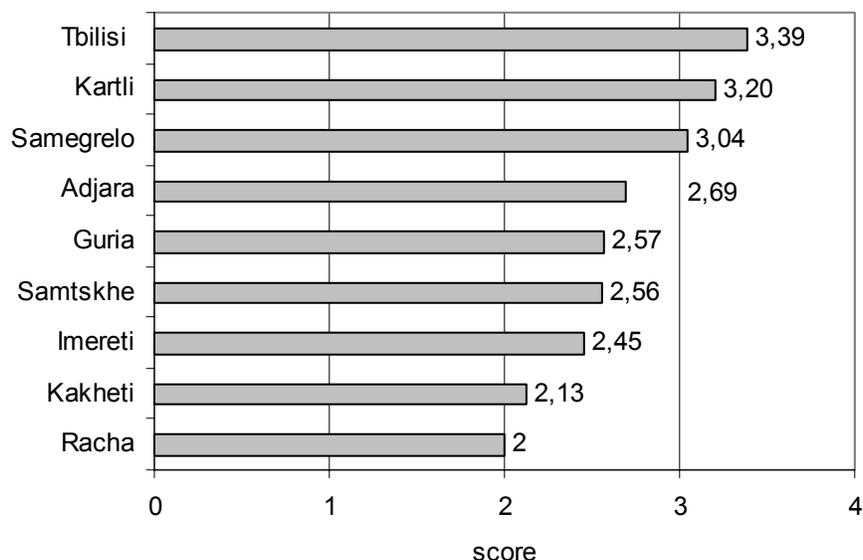


Chart 6.0.4 shows a breakdown of CSOs by region and their scores under this criterion. Tbilisi, Kartli and Samegrelo-based organizations have the highest scores.

6.1 Office space

The following types of office utilization have been identified:

- Private ownership;
- Full-time office rental;
- Use of the space free of charge;
- Temporary office rental;
- Temporary location of office in the staff member/director’s apartment.

Along these types, CSOs were asked to specify whether their current office space is sufficient, i.e. whether they are able to provide each of their staff members with a

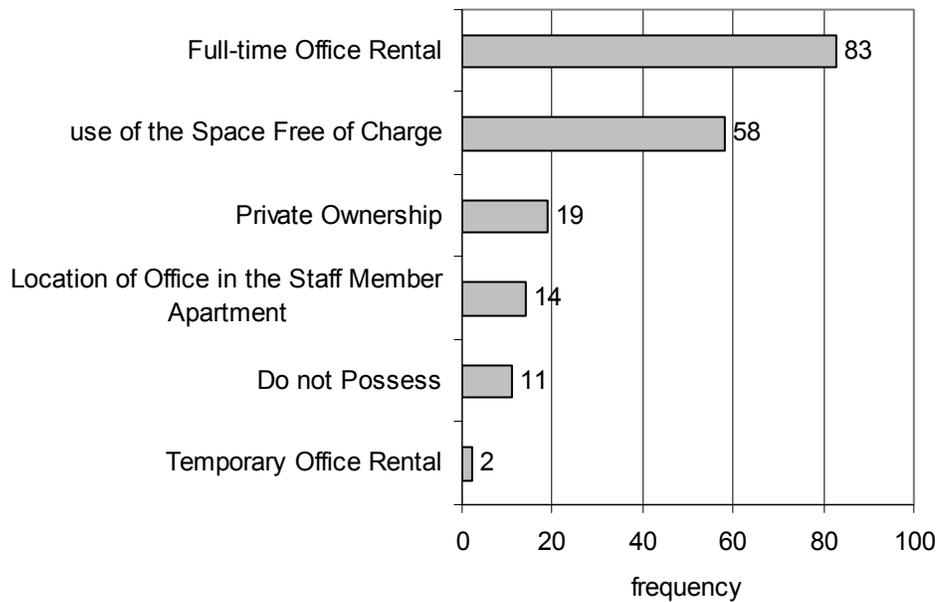
¹⁵ Displayed charts show the proportion of interviewed organizations according to scores under the given sub-criterion. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.

¹⁶ The data from one of the interviewed CSO under this sub-criterion was considered invalid.

workstation; sufficient office space in these organizations has also been examined (do all the staff-members enjoy a personal working place or not).

Chart 6.1.1 shows that the majority of organizations have offices that are either renter full-time or used free of charge. 11 of the surveyed organizations (5,9%) do not have an office.

6.1.1 Office Space

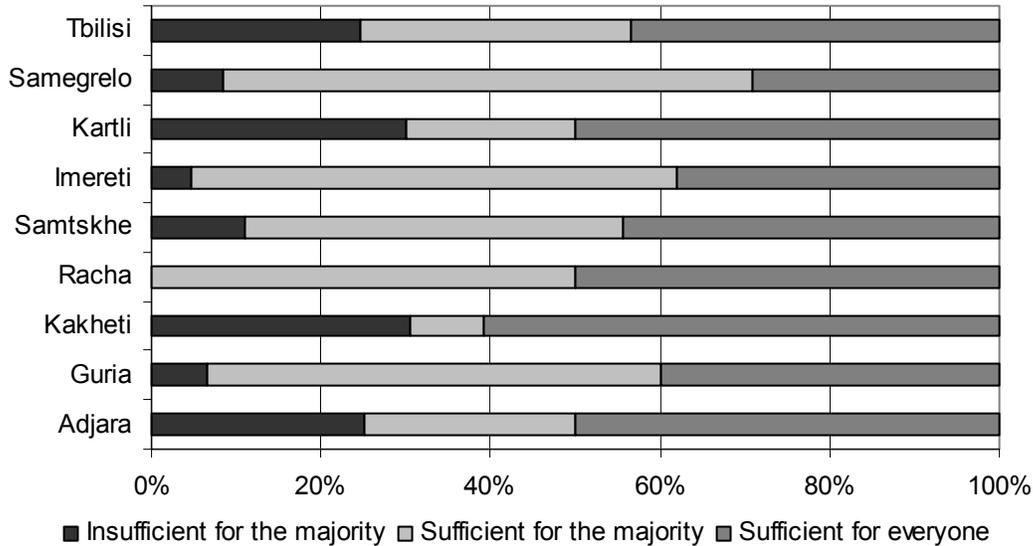


As to the sufficiency of space (how many staff members have personal workstations), the following responses were recorded:

Sufficient for everyone	49.9%
Sufficient for the majority	38.0%
Insufficient for the majority	11.2%

Chart 6.1.2 below shows the breakdown under this characteristic by region:

6.1.2 Sufficient Office Space



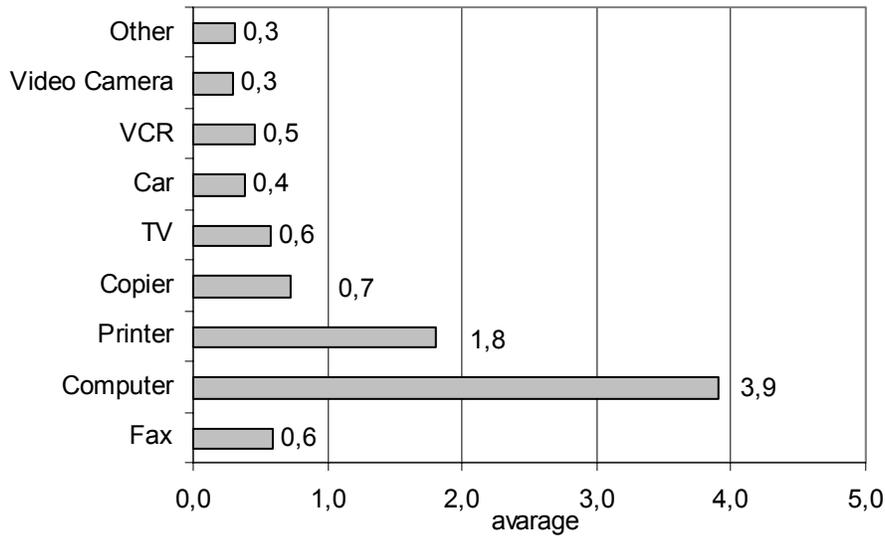
The highest proportion of CSOs to quote “sufficient” office space was found in Kakheti; however, this same region also scored highest in the “insufficient for the majority” section.

6.2 Availability of communication and technical equipment

The availability of communication and technical equipment has been assessed based on evaluating, whether available equipment (computer, fax, copying machine, vehicle, etc.) was sufficient for implementation of ongoing activities. The accessibility to Internet was another sub-criterion.

Chart 6.2.1 demonstrates what types and quantity of equipment is available in organizations on average:

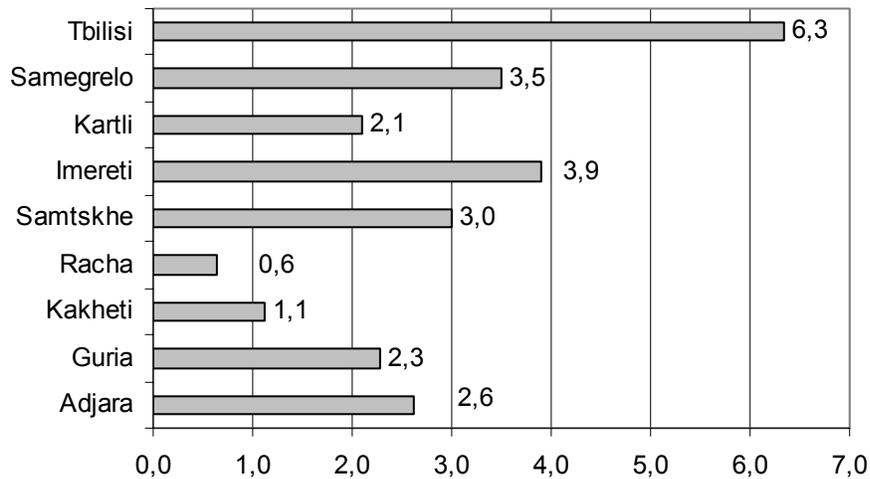
6.2.1 Technical Equipment



4 computers and 2 printers on average are available per organization. Sharing of the rest of the technical equipment is less than 1 per each organization. As to the telephone connection, it is not available in 39 organizations (26,7%).

Numbers of computers per each organization according to region are given below: (Chart 6.2.2):

6.2.2 Number of Computers per one Organization



The average number of computers per person has also been analyzed. It turned out that overall there is 1 computer available per every 4 people; by region we have the following breakdown:

Region	Number of Staff Members per 1 Computer
Adjara	4
Guria	4
Kakheti	14
Racha	8
Samtskhe	4
Imereti	3
Kartli	4
Samegrelo	4
Tbilisi	3

There are a total of 142 (76%) organizations where the Internet is available. The Internet is available in 99% of surveyed Tbilisi-based organizations and 62% of the regions as a whole.

6.2.3 Internet

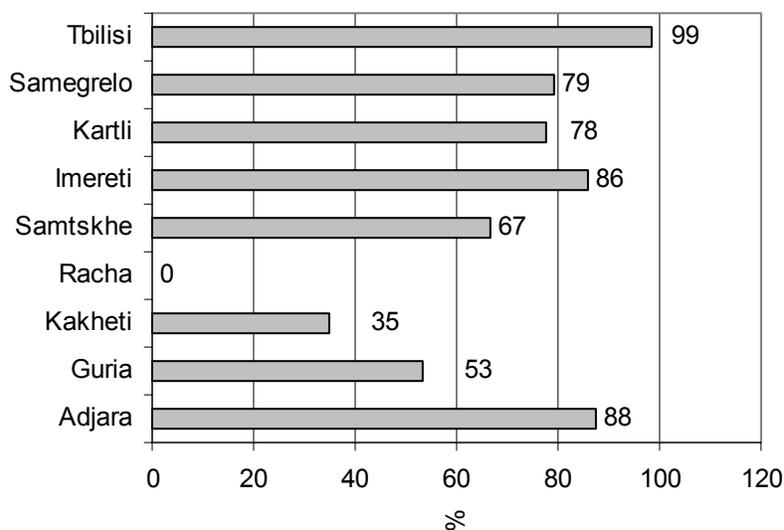


Chart 6.2.3 shows that the Internet is not accessible in Racha, as there are no facilities for Internet connection in this region. CSOs in Samtskhe region use the Internet facility (a satellite link) of one of the CSOs “Union of Democrat Meskhs”, in Kakheti – the regional office of “Horizonti” Foundation and in Guria – “Young Scientists’ Club.”

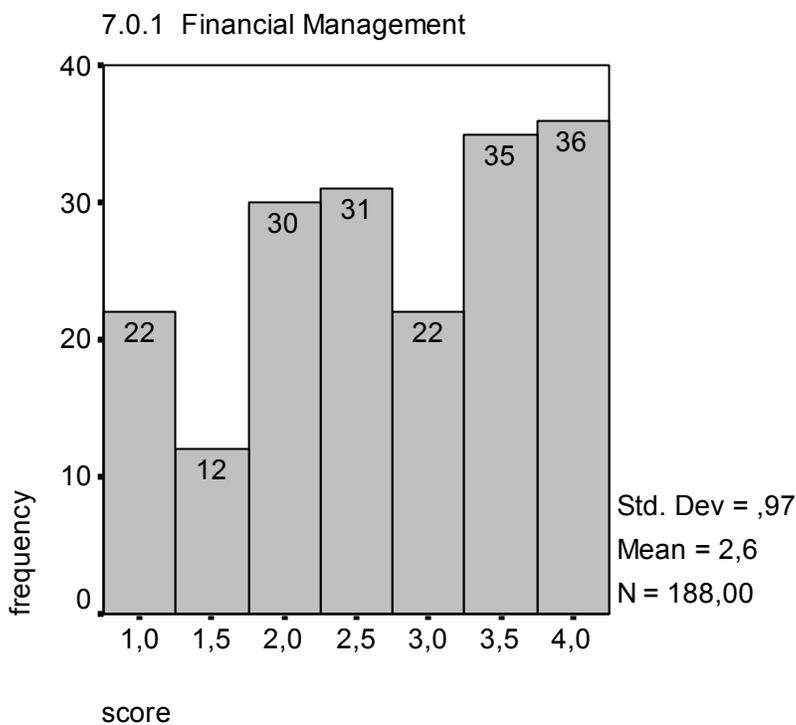
70% of all organizations have an e-mail address and 29% - a web page. 90% of the Tbilisi-based NGOs have an e-mail address and 64% - a web page, while in the regions – 56% and 8% correspondingly.

CRITERION 7 – FINANCES

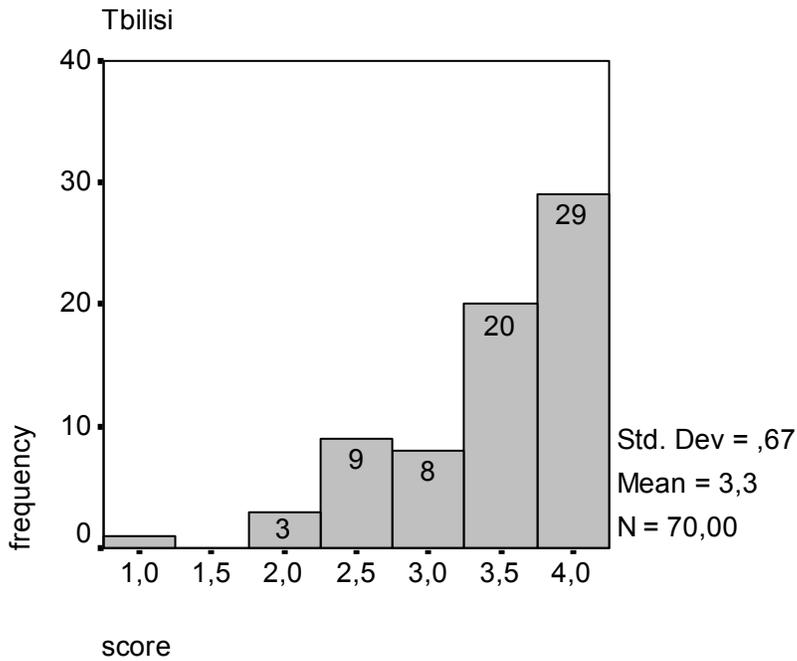
Cumulative Average – 2.63

The following basic sub-criteria have been identified for examining each organization's standing by financial resources and financial management mechanisms:

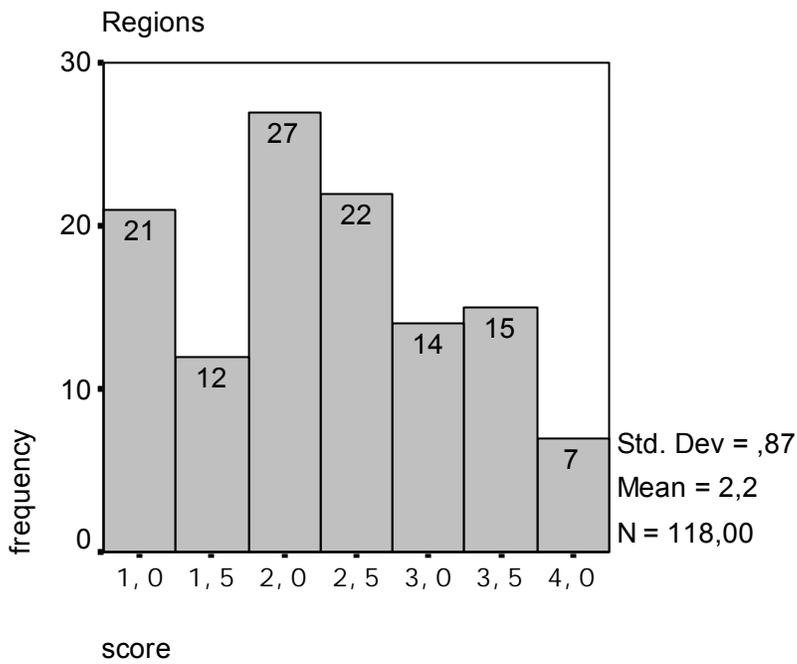
- 7.1 Average budget volume during the last 3 years;
- 7.2 Diversification of the funding sources;
- 7.3 Financial management mechanisms (annual budget planning, budgetary division in program-related and administrative expenses, audit);
- 7.4 Financial sustainability (duration of gaps in funding).



7.0.2 Financial Management



7.0.3 Financial Management



The mean values on this criterion differ significantly between the Tbilisi-based (mean 3,35) and regional CSOs (2,2).

7.0.4 Financial Management

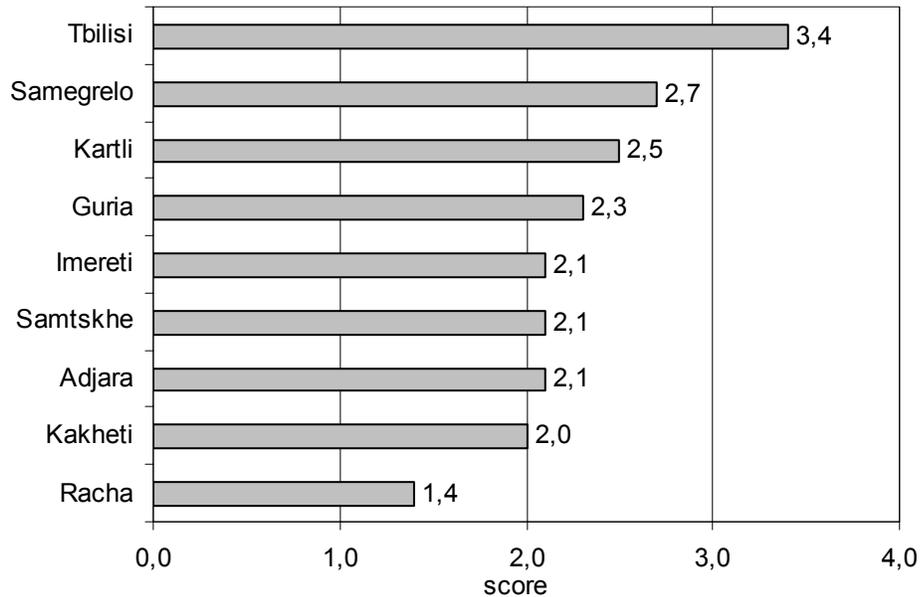
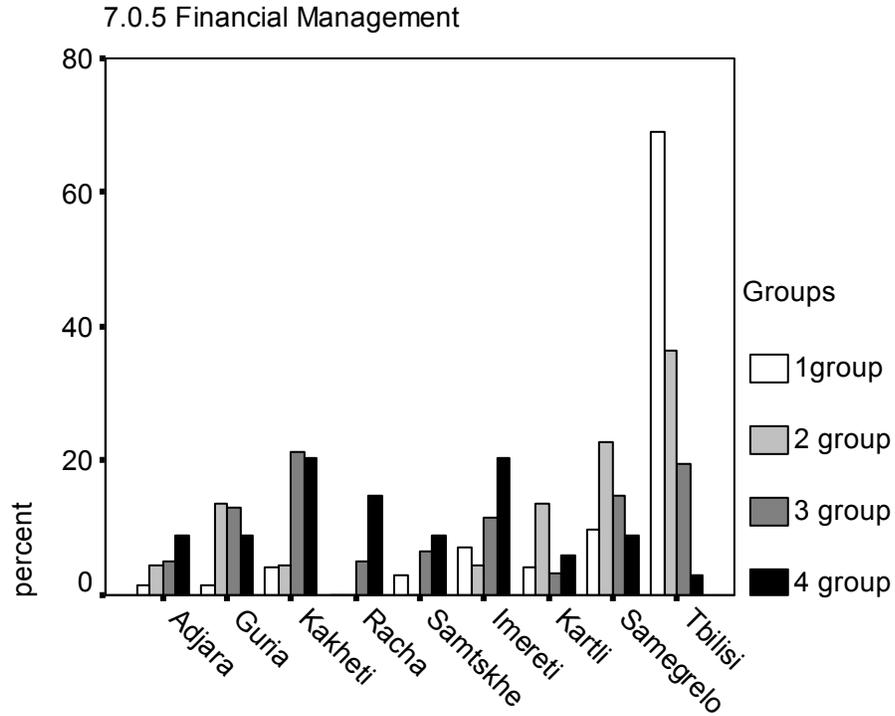


Chart 7.0.4 above gives a breakdown of the mean scores on the given criterion by region. The leading position is held by Samegrelo-based organizations; low indicators were identified in Racha.

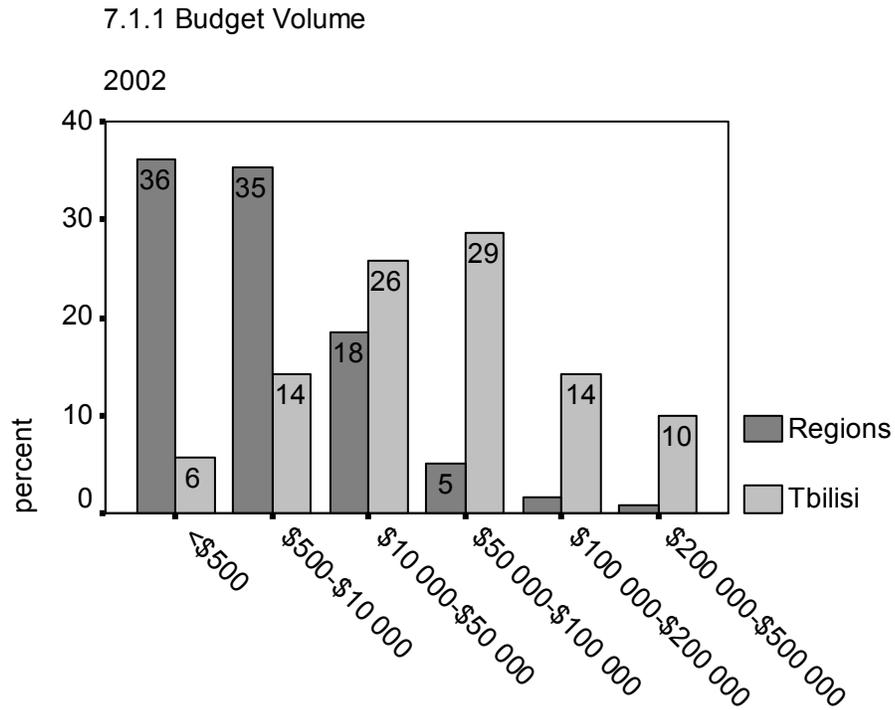
As for the other regions, the averages vary between 2–2.5. In accordance with the criteria applied by the research team as to organizational development of identified groups, this indicator corresponds to Tier 3 organizations.

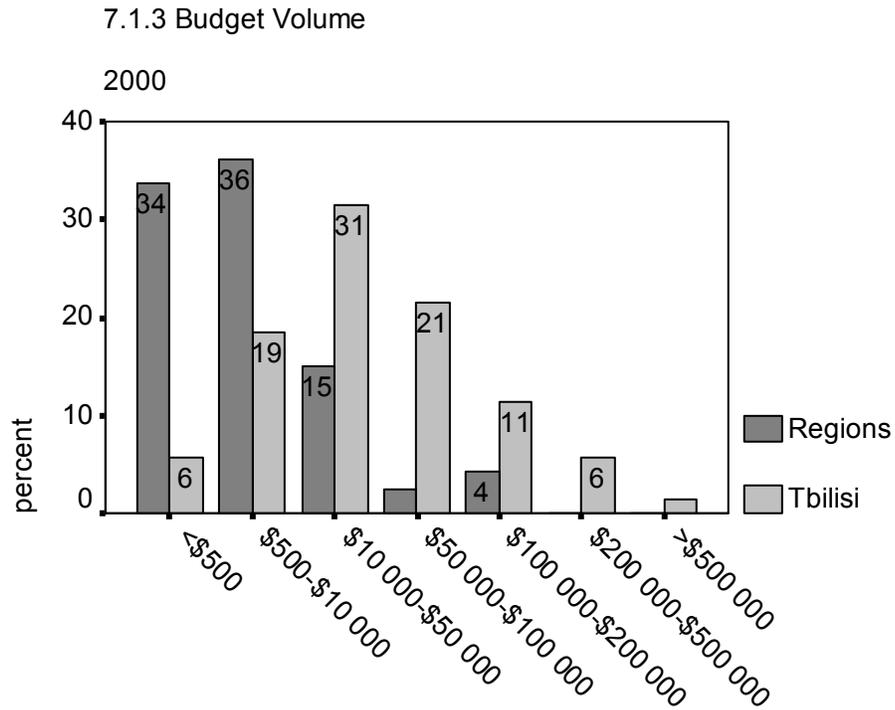
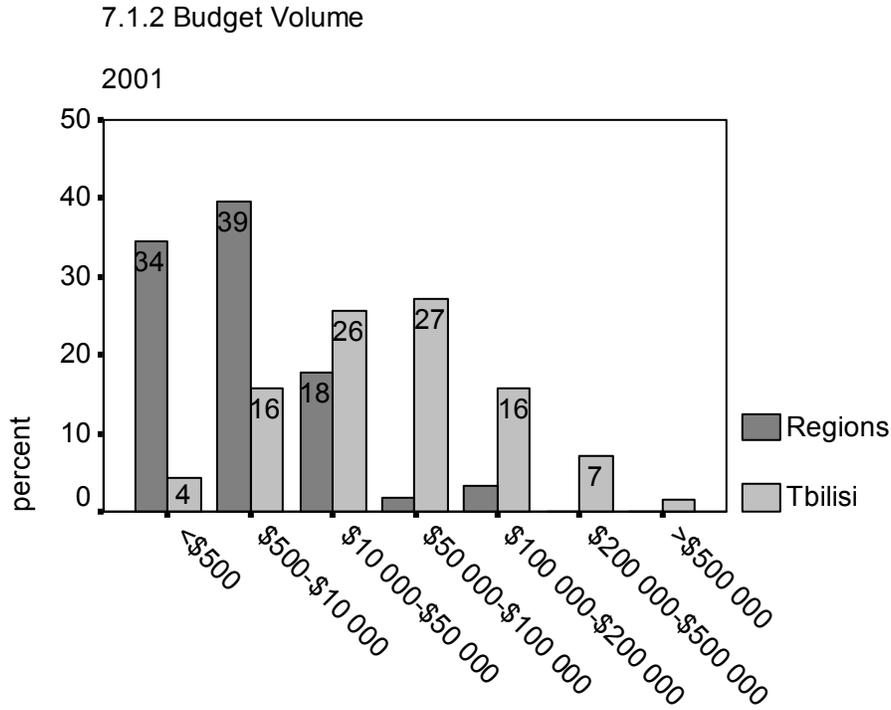
Categorizing CSOs by the Finance criteria is depicted in table 7.0.5:



7.1 Average budget volume during the last 3 years

Chart 7.1.1 shows annual budgets of CSOs in each surveyed region for the years 2000-2002.





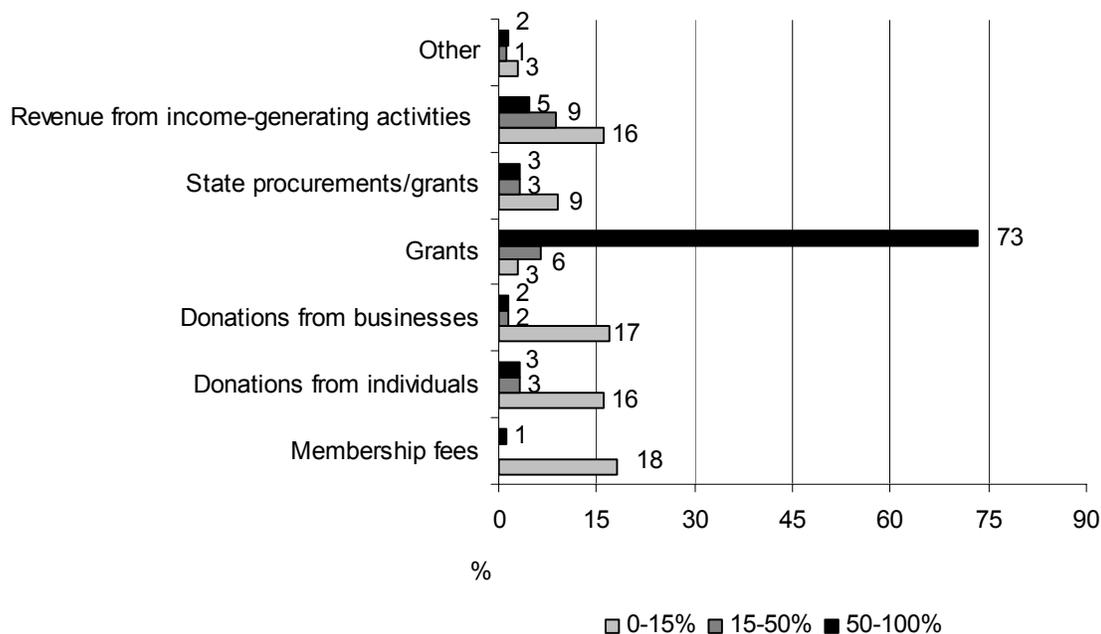
It can be observed that proportional distribution of the funding volumes does not differ significantly in last three years. Considerable differences in funding volumes between regions and the capital is maintained. If an average annual budget indicator of Tbilisi-based organizations in 2000-2002 falls within 10 to 100 thousand USD, in the regions it mainly varies within 5 hundred to 5 thousand USD.

7.2 Diversification of the funding sources

Following basic sources have been identified:

1. Membership fees;
2. Donations from individuals;
3. Donations from businesses;
4. Grants;
5. State procurements/grants;
6. Revenue from income-generating activities (contracts, services, publications, etc.);
7. Other.

7.2.1 Diversification of Funding Sources



As seen from chart 7.2.1, 73% of all interviewed organizations quoted grants as their main funding source (50-100% of the total budget).

Income-generating activities (contracts, services, publications, etc.) are practiced in all regions, including 8 organizations in Tbilisi. While some organizations quote that income-generating activities form more than half of their budgets, most of these organizations are running extremely small annual budgets, thus the absolute value of the generated income is frequently negligible. There are 4 organizations with an annual budget exceeding 50,000 with more than 50% of it from income-generating activities. 3 of these organizations are in Tbilisi and one in Kutaisi (Table 7.1).

Table 7.1

Organizations, where income-generating activities cover 50-100% of the budget (2002 budget figures).

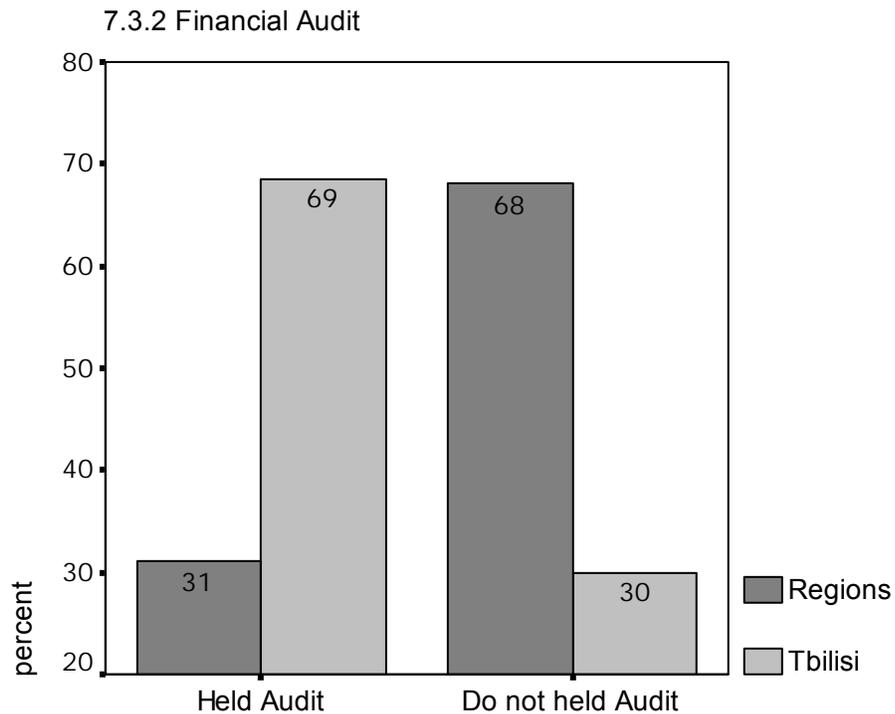
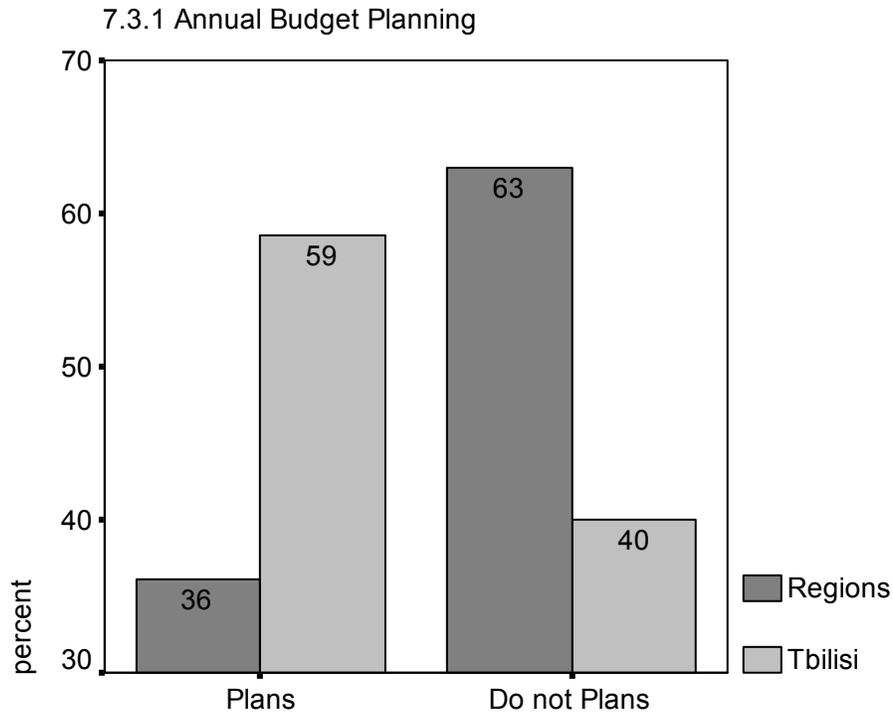
Annual Budgets	<500	500-10000	10000-50000	50000-100000	100000-200000	200000-500000	Total
Batumi	1						1
Kutaisi Zestaponi			1			1	2
Zugdidi Poti		1	1				2
Tbilisi				2	1		3
Total	1	1	2	2	1	1	8

7.3 Financial practices

The next sub-criterion for evaluating organizations was financial management mechanisms, namely planning of the annual budget, division into program-related and administrative expenses, holding an audit.

Charts 7.3.1 and 7.3.2 provide percentage indicators for planning annual budget and holding an audit.

As seen from the charts, there is almost a mirror pattern between the data of Tbilisi-based and regional organizations. 36% of regional NGOs plan a budget, and 31% of them have held an audit at least once. 59% of Tbilisi-based organizations plan a budget, and 69% have held an audit at least once.



Organizations planning the budget in advance generally hold independent financial audit also. At the same time, a majority of organizations held an audit at their donor's request.

Table 7.2 shows that out of 18 surveyed foundations, 14 (78%) have audited their finances at least once.

Table 7.2 Foundations with financial audit by 2002 budget volume

	Audit	No Audit	Total
<500		1	1
500-10000	1	2	3
10000-50000	5	1	6
50000-100000	3		3
200000-500000	4		4
> 500 000	1		1
Total	14	4	18

7.4 Financial sustainability

The financial sustainability sub-criterion looked at the funding gaps in the past 2 years.

Categorization took place under the following parameters:

1. No funding gaps happened;
2. Gaps have not exceeded 2 months;
3. Gaps have not exceeded 6 months;
4. Gaps of 1 year or more.

7.4.1 Financial Sustainability

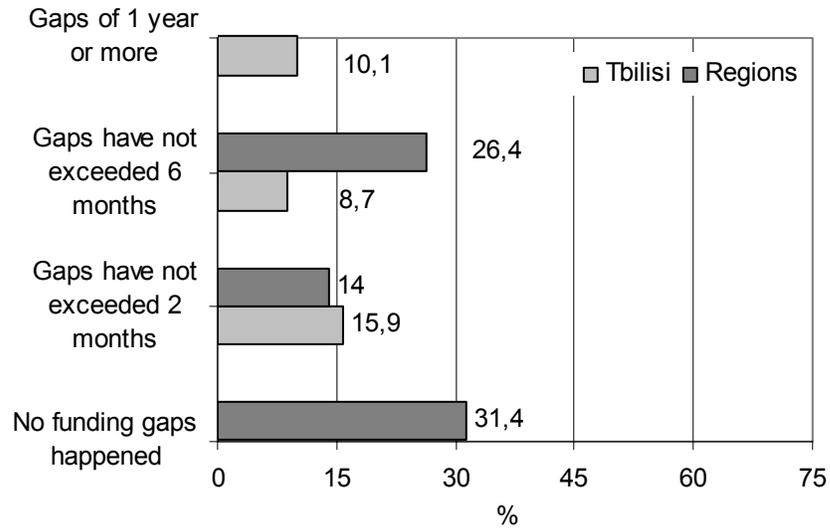


Chart 7.4.1 shows a substantial share of the Tbilisi based CSOs (64%) have not experienced funding gaps. In the regions this indicator equals 31%. Financial cuts have exceeded a period of 2 months in 52% of the regional organizations.

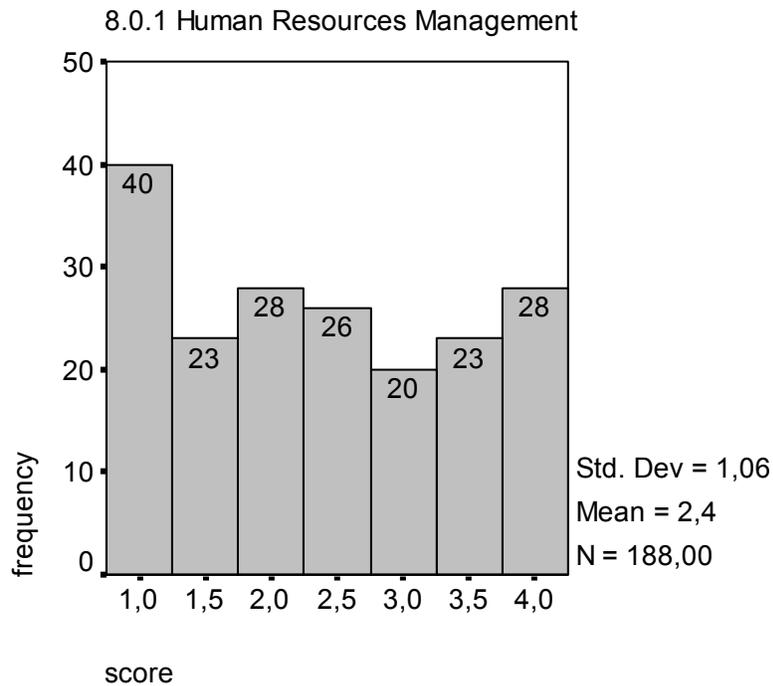
CRITERION 8 – HUMAN RESOURCES MANAGEMENT

Cumulative Average – 2.4

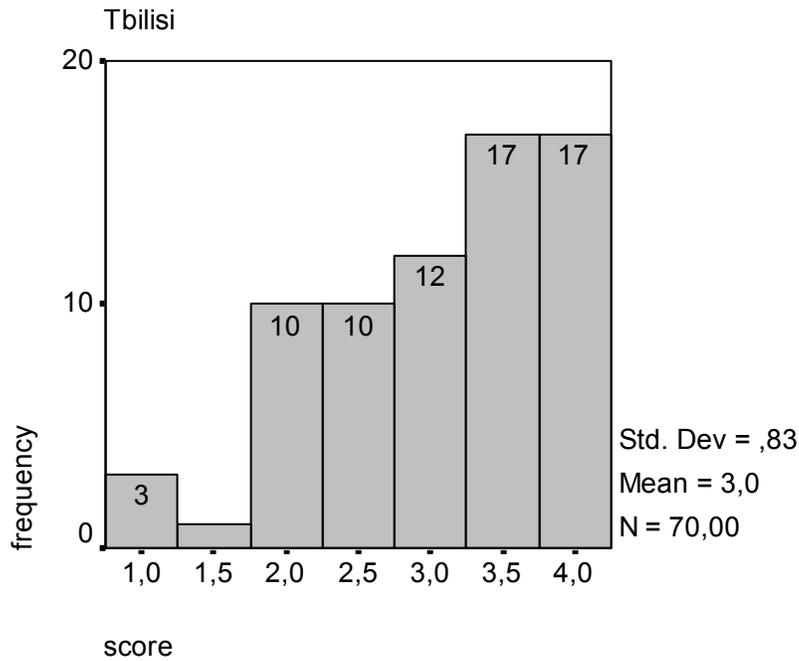
Two basic parameters were evaluated under the human resources criteria:

- 1.1 General staffing system;
- 1.2 Staff recruitment mechanisms.

Besides this, vocational training/on the job training of staff members has been considered as an additional parameter.



8.0.2 Human Resources Management



8.0.3 Human Resources Management

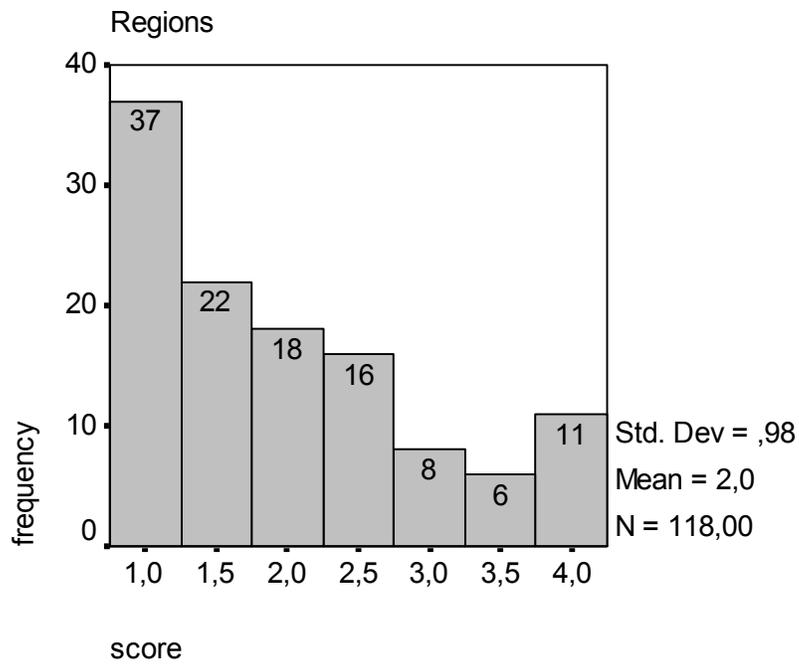


Chart 8.0.1¹⁷ displays a mean point of 2,38 for the 188 interviewed organizations.¹⁸ The deviation level of the data is quite high (Standard Deviation from the Mean = 1.06) and specific groups are hard to cluster.

Comparison of capital-based and regional organizations (Charts 8.0.2 and 8.0.3) clearly demonstrates that the human resources scores for a large portion of the Tbilisi-based CSOs fall into the 3 to 4 point range, while that of the regional organizations varies within the 1-2 range.

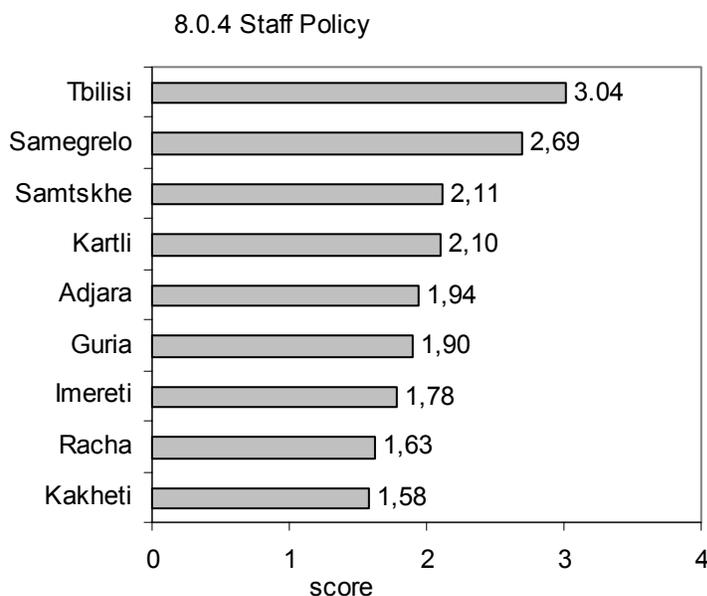


Chart 8.0.4 gives the breakdown of human resources criterion by region. Following the Tbilisi-based CSOs, the highest scores were identified in Samegrelo, with a high concentration of international donor organizations in Zugdidi being the probable reason.

8.1 General staffing system

CSO personnel were categorized under 4 basic types:

1. Full-time paid employees;
2. Part-time paid project employees;
3. Non-paid full-time staff;
4. Volunteers.

Given definitions are based on the practices of Georgian non-governmental organizations and do not necessarily correspond to formal definitions. Since the individual projects and

¹⁷ Displayed charts show the proportion of interviewed organizations according to the points generated by them in the human resources component. Std. Dev – Standard Deviation from the Mean, Mean – average point in the group, N – number of organizations.

¹⁸ Gross number of interviewed NGOs equals 189, but the data for one of the organizations under this sub-criterion was considered invalid.

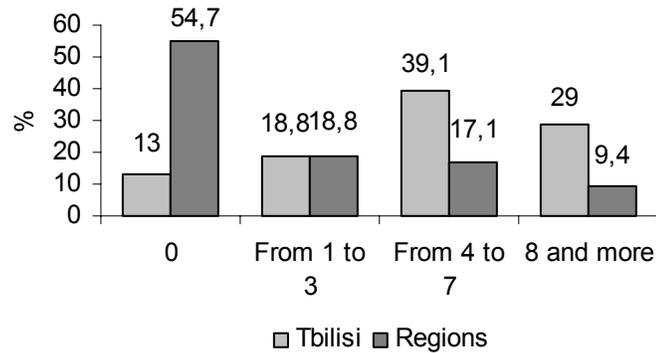
salaries accordingly supported by donors represent a major source of revenue for CSOs, completion or alterations in the project often entails changes in the formal status of staff members, although these changes do not necessarily affect their factual status within the organizations. This type of staff was grouped under “full-time paid employees”. Also “non-paid full-time employees” are persons that hold similar status to those of full-time paid employees, but do not or rarely receive regular salaries.

The number of each of the above types of staffers was also sub-divided into four groups:

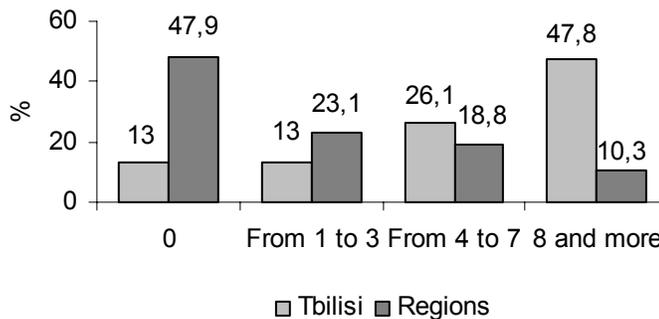
1. None of the types;
2. 1 – 3 employees of one type;
3. 4 – 7 employees of one type;
4. 8 or more employees of one type.

Percentage indicators of the data for Tbilisi and other regions is summarized below (Charts 8.1.1, 8.1.2, 8.1.3, and 8.1.4):

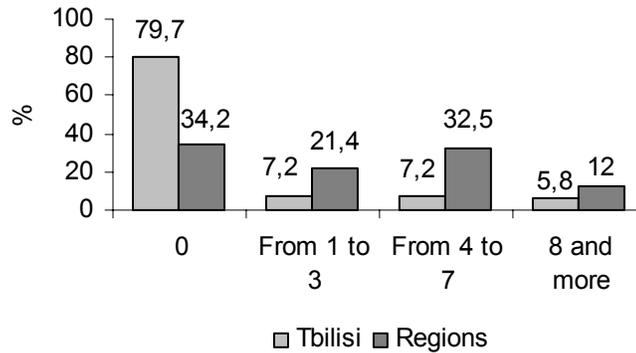
8.1.1 Proportion of Full-time Staff



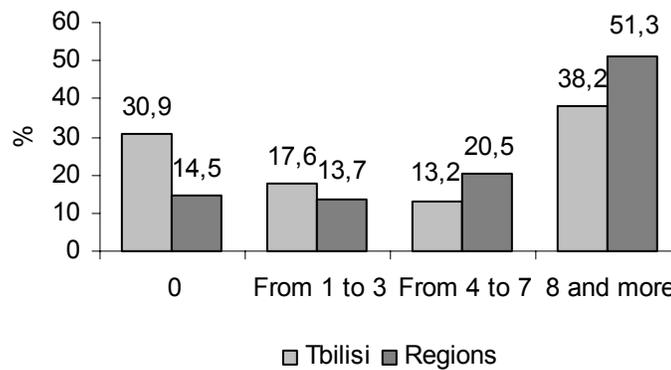
8.1.2 Proportion of Staff Employed in Programs on a Part-time Basis



8.1.3 Proportion of Non-paid Full-time Staff



8.1.4 Proportion of Volunteers



Charts show higher precedence of paid staff (both part-time and full-time) in Tbilisi, which is likely to be associated with a better financial standing and sustainability. In the regions the number of non-paid full-time employees is high, due to the financial constraints.

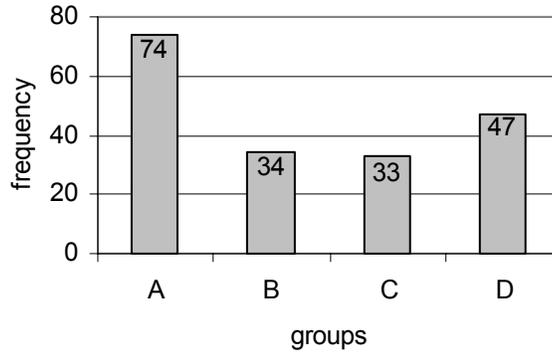
8.2 Mechanisms of recruiting staff members

As to the staff recruiting mechanisms, the data has been grouped into four major categories:

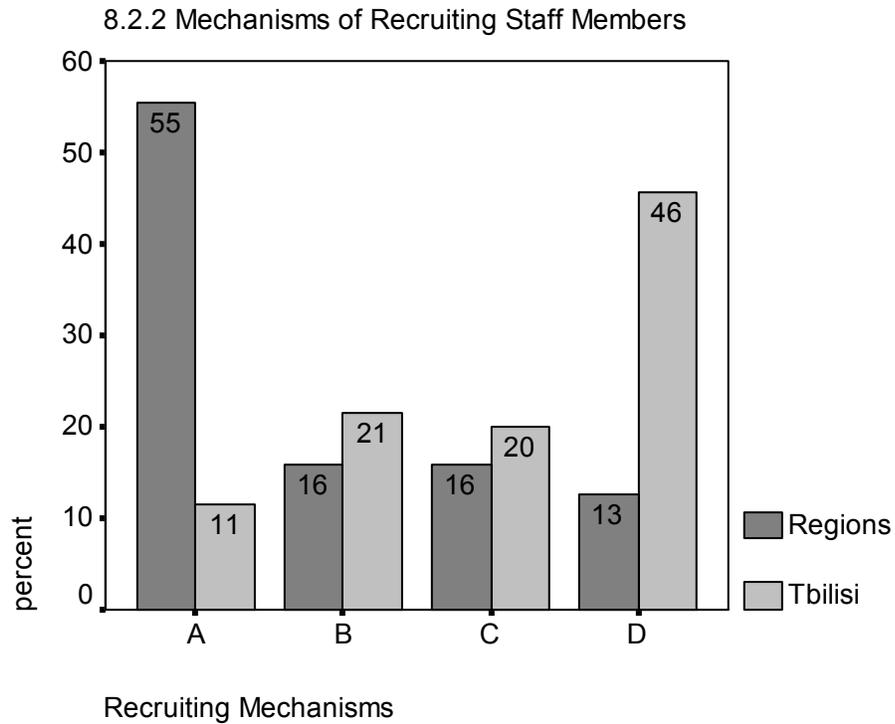
- A. No staff recruitment procedures exist;
- B. Career advancement of the members and volunteers;
- C. Through personal recommendations given relevant qualifications;
- D. Through public announcements based on an objective selection criteria and mechanisms.

The results are provided below (Chart 8.2.1).

8.2.1 Mechanisms of Recruiting Staff Members



A comparison of regional and capital data gives the following picture (Chart 8.2.2):



A majority of Tbilisi-based organizations pursues rather elaborate recruitment procedures, while in the regions this system remains underdeveloped. At the same time, staff vacancies are not frequently created in regional CSOs due to their financial problems, there so far has not been an acute need for elaborate recruitment procedures.

Five major groups were identified from the staff training/re-training standpoint:

1. No training/re-training system exists;
2. Special courses within the organization;
3. Sending staff members to attend free-of-charge seminars/trainings;
4. Paying the staff for training outside the employing organization;
5. Internship abroad at the organization's expenses.

The following data has been gathered:

	Group	Number
1.	No training/re-training system exists	40
2.	Special courses within the organization;	59
3.	Sending staff members to attend free-of-charge seminars/trainings;	127
4.	Paying the staff for training outside the employing organization;	43
5.	Internship abroad on the organization's expenses	30

The proportion of Tbilisi and regional data is as follows:

	1	2	3	4	5
Tbilisi*	8.7%	49.3%	69.6%	37.7%	33.3%
Region**	28.6%	21.0%	66.4%	14.3%	5.9%

Combining all of the above it is possible to identify a prevailing type of employment in Tbilisi-based and regional organizations.

	Full-time paid employee	Part-time paid program-based employees	Non-paid full-time staff	Volunteer	Staff recruitment mechanisms	Raising qualification
Region	0 Employee	1-3 Employees	4-7 Employees	8 or more employees	Organization does not have staff recruitment mechanisms	Sending staff members to attend free seminars/trainings

* Percent is computed within Tbilisi group.

** Percent is computed within regional group.

Tbilisi	4-7 Employees	4-7 Employees	0 Employee	4-7 Employees	Recruitment is consistent with the selection criteria, announcing vacant position based on the competition	Sending staff members to attend free seminars/trainings; Special courses within the organization
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Chapter 4, Summary and Analysis

Key Findings:

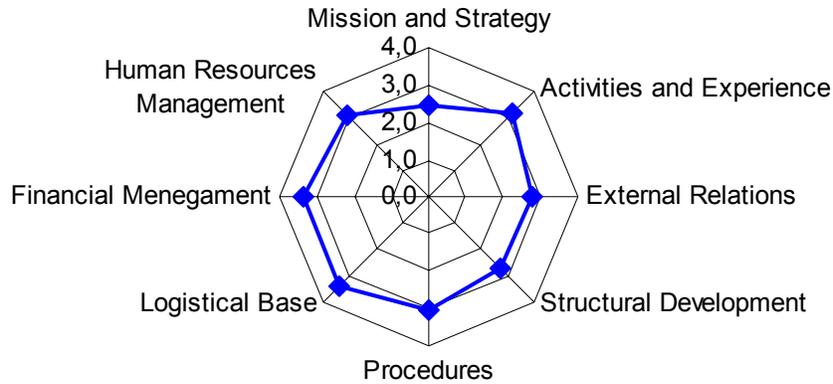
- Developed CSOs are only a fraction of the total number registered. However, at least 85 organizations fall under the first two levels of development. They are capable of forming the spine for further self-development of the civil sector in Georgia.
- Developed Georgian CSOs are on a sound footing in terms of equipment and offices and their budgets remain stable over the last 3 years;
- A gap between the Tbilisi-based and regional CSOs is most visible in the level of organizational sophistication – specifically in human resources management, project cycle management and financial procedures;
- Developed CSOs in Georgia are professional agencies, driven by a motivated staff, and are not volunteer groups;
- External relations are managed evenly and fairly well across the country; however, there is a need for increased sophistication to better serve the beneficiaries;
- Overall, CSOs need to enhance their techniques for human resources and financial management, media relations, operation evaluation and impact assessment.

Overview

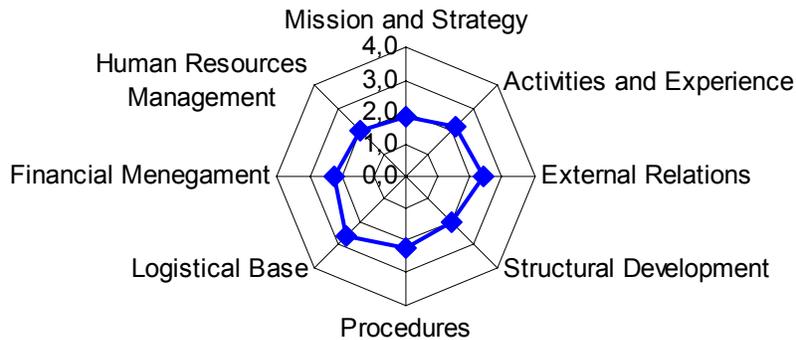
The research has confirmed that the operational and advanced CSOs represent only a fraction of the total number registered. Out of some 5000 registered entities, some 190 were identified to be active in selected localities, i.e. assumed to fall into the first three tiers of development. Of these surveyed groups, 85 (44.5%) made it into the first two tiers 69 (36%) were classified as tier three and 35 (18%) failed to meet the requirements of the first three tiers.

The diagrams compare development indicators of capital-based and regional NGOs under the 8 criteria. Points are calculated after mean evaluation indicators applied to corresponding organization groups.

Average Indicators of NGO Development under 8 Criteria
 Tbilisi



Average Indicators of NGO Development under 8 Criteria
 Regions



The research has confirmed that the capital-based CSOs remain more advanced organizationally. Twenty-one out of twenty-seven “first tier” CSOs (77.8%) are operating in the capital city. However the regions are catching up – 43.1% of the second tier CSOs is based in the regions. From the surveyed organizations, the level of CSO development is highest in Samegrelo, Imereti and Guria, while Kakheti, Achara and Racha lag behind.

The research has also helped to identify the criteria, which distinguishes the levels of development for CSOs. According to the data, the level of development of the organization is strongly linked with formation of the middle management responsibilities and human resources management and financial practices.

Contrary to some of the widespread assumptions, separation of the overseer (Board of Directors) and managerial (middle management, staff) functions does not show strong

correlation with the level of organizational development (Spearman Correlation = 0.438). Correlation is also weak with organizational age – “older” CSOs do not necessarily feature independent Boards, whereas some of the “young” organizations do. This may indicate the impact of the donor-driven policies on some nascent CSOs.

At the same time, involvement of the first generation of managers, or the “founders”, in CSOs remains strong. The original Board Chairman remains in office in 79.5% of the surveyed CSOs, and the board composition was only changed in 12% of the organizations.

Georgian CSOs are relatively well-equipped technically. The research has shown 4 computers and 2 printers are available per organization on average. Apart from the Kakheti and Racha regions there are more than 2 computers per regional organization. Also, most of the surveyed CSOs have offices. 49.9% of all CSOs staff has their own working space, while an additional 38% mostly have. Only 11.2% of those surveyed have indicated that most of their personnel lack proper working space.

CSOs are also among the most “wired” organizations: 99% of the Tbilisi CSOs and 62% of the regional ones have Internet access. Only in one of the assessed regions – Racha, there was no Internet access available.

The volume of annual budgets for CSOs in Tbilisi shows a slow growth trend in 2000-2002. The budgets of the regional CSOs remained basically stagnant. On average, the annual budgets throughout the last 3 years remained stable both in Tbilisi and in the Regions. The research showed that the median annual budget for the Tbilisi CSOs is in a bracket of 10 to 100 thousand USD; while in the regional CSOs the budget is between 5 hundred to 5 thousand USD. In Tbilisi there has been a slow growth in the top budgetary bracket (200 to 500 thousand USD) – from 6 CSOs in 2000 to 10 in 2002.

Foreign grants remain the main source of revenue for 73% of the surveyed organizations. The figure is distorted by the higher proportion of CSOs with very low budgets, which accumulate revenues from charity or personal donations. Only 4 CSOs with annual budgets higher than 50 thousand USD have reported that more than 50% of their revenue comes from profitable activities.

The regional CSOs are also more likely to suffer from gaps in funding. In Tbilisi 64% of the CSOs never had a gap in funding, while in the regions the same figure stands at 31%. The majority of the regional CSOs (52%) have had more than a 2-month gap in funding.

The research showed that the level of organizational development and stability is linked with the existence of sophisticated financial management, human resources management and planning practices. In brief, the level of sophistication in the organizational process differentiates more developed organizations from the less developed ones. The qualitative side of the interviews showed, that in a few organizations upgrade of the organizational processes has been mainly a donor driven process. This usually applies to those groups that have a core donor. In other organizations management has acted proactively to

institute advanced organizational processes based on its own experiences and those of its colleagues.

The level of organizational sophistication is also at the core of differences between the regional and Tbilisi-based CSOs. The research showed that the median level of formalization of the organizational process ranges from 1.5 to 2.5 on a scale of four for the regional organizations, while for the Tbilisi-based ones the median level is 3.5 to 4.

In terms of planning procedures, the difference between the capital and the regions is drastic. Only 17% of the Tbilisi-based groups does not perform planning or performs only short-term contingency planning. But only 7% of the regional CSOs have formalized planning.

In staff selection, the trend towards formalized hiring is more evident in Tbilisi. CSOs are competitive employers in the capital and 46% of them routinely post vacancy announcements and conduct job interviews. In the regions, 55% of the groups have no formalized selection criteria.

Both in Tbilisi and the regions CSOs care for training of their personnel. 69.6% in Tbilisi and 66.4% in the regions are likely to encourage their workers to take part in the trainings and seminars offered for free. However, few are capable of providing paid training inside the country (37.7% in Tbilisi, 14.3% in the regions) or abroad (respectively 33.3% and 5.9%).

Similar “mirroring pattern” is observed in planning the annual budget and in performing an independent financial audit of the organizations. 59% of the Tbilisi CSOs plan an annual budget, as compared to 36% in the regions. 69% of the Tbilisi CSOs have performed a financial audit at least once, as compared to 30% in the regions.

At the same time, roughly two-thirds of all surveyed CSOs (66%) do not formally evaluate their work or do so only by oral discussion.

Many differences between the Tbilisi and regional CSOs emerge in staffing patterns. Tbilisi-based CSOs are more likely to have permanent staff. 68.1% of these CSOs employ four or more permanent staff members. The regional CSOs are more likely to employ project staff (people employed temporarily for a particular grant-based project), or have “unpaid permanent staff.” These are people who move in and out of the “project staff” status but are loyal enough to stay with the organization during the funding gaps. Volunteer involvement depends on the type of organization. Those that do work with volunteers are likely to involve a significant number of them – 38.2% of the Tbilisi-based and 51.3% of the regional CSOs work with more than 8 volunteers. At the same time, 30.9% in Tbilisi and 14.5% in the regions do not have volunteer involvement.

In external relations – with other CSOs, the media, government and business – there is no statistically significant difference between the Tbilisi and regional CSOs. Organizations

in Tbilisi and Samegrelo lead the way in coalition building with other CSOs. Notably, there is no experience in coalition-building in Adjara.

Media relations are high across the board. But in most cases, the journalists themselves initiate the media exposure. While CSOs try to get their news out, usually, these are episodic attempts, without a consistent system of media relations.

Sophisticated communication techniques – publishing of annual reports, press conferences, press releases - are used fairly rarely. Only 13% of the surveyed CSOs publish annual reports.

Cooperation with the business community remains nascent. In most of the cases of cooperation, CSOs offer services to the business – such as assistance in developing business plans and consulting. Some 10% of the Tbilisi CSOs and 7% of the regional ones have experience with cooperative efforts with various business entities.

Governmental communication is quite significant, defying the popular image of CSOs being in strong opposition to the government. The cooperation trend is stronger with the central government - half of the Tbilisi CSOs said they have worked together with the government, mainly participating in drafting legislation, developing state programs and policies. At the same time, many organizations say relations with the government are “problematic.” Thus, CSOs remain skeptical of the government, while showing proved record of constructive cooperation.

Finally, of activities for Georgian CSOs span most of the areas of daily life. The survey found 40 different types of activities mentioned by CSOs as their areas of work. In general the data showed that Georgian CSOs are most active in environmental and educational fields, in human rights and governance. Journalism, culture and small business development were the least mentioned.

Some Conclusions:

- Advanced and custom-made training and consultancy services are needed to respond to the upper levels of organizational sophistication for CSOs and to support further growth;
- The gap between the Tbilisi and regional CSOs can be narrowed by encouraging cooperation between these groups. Tbilisi CSOs are seeking ways to increase their regional coverage through multiple channels such as field offices, partnerships, and visits. These attempts should be encouraged;
- As professional agencies, CSOs need to maintain qualified professional staff and personnel, share expertise and upkeep on equipment, while incorporating new bureaucratic mechanisms and sophisticated financial management practices. Donor agencies should be ready to provide for the overhead costs associated with

such needs as well as encourage development of services to provide for the overhead.

- Constituency feedback and linkages need to improve if CSOs to truly represent the needs of a civil society. Cooperation with grassroots organizations, enhanced media and assessment techniques and effective impact evaluation tools are also needed.