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CAUCASUS
FORECAST Project

15 YEARS OF PARTNERSHIP FOR DEVELOPMENT

FORECAST/CAUCASUS

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Monthly Report for
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I. General Statement

The USAID/Caucasus *Focus on Results: Enhancing Capacity Across Sectors in Transition* (FORECAST) activities supplement the implementation of USAID/Caucasus performance plans in Georgia and Azerbaijan. This is achieved through the development of individual skills and institutional strengthening of select public, private and Civil Society Institutions (CSO) that play a strategic role in the implementation of the Government of Georgia's and the Government of Azerbaijan's reform programs and USAID's strategic objectives. The period of the FORECAST/Caucasus Task Order is August 27, 2007 to May 5, 2011.

FORECAST reinforces and supplements other USAID technical assistance efforts across all USAID/Caucasus Technical Offices (TO) by addressing systemic problems and workforce development through short and long-term training. It addresses performance gaps within select/targeted organizations that have yet to overcome internal management, organization and skills barriers to effective and efficient implementation.

Under its Task Order FORECAST is mandated to provide a comprehensive package of HICD and non-HICD services and interventions, including, but not limited to, the following:

Services

- Ongoing expert consultation services related to the Mission's overall HICD efforts across its portfolio;
- HICD Planning and coordination on the development of Annual Work Plans in which organizations are identified to receive HICD interventions and individuals selected for training, Mission HICD Plans and assistance to technical office teams to develop or revise individual HICD plans, as requested, and Partnering with Extended Technical Office Teams and Stakeholders;
- Procurement of Training and Non-Training Interventions and Logistics Providers;
- Intervention Implementation Services: participant recruitment and processing, pre-departure orientation, and participants tracking, reporting and monitoring;
- Program Monitoring, Evaluation and Follow-up;
- Participant Processing Services (US and Third-country).

Interventions

- Performance Assessments (PAs);
 - Organizational Performance
 - Individual or Workgroup Performance
- Participant Training/Academic Education
- Technical Assistance (TA)
- Small Grants
- Local Capacity Building

II. Program Activity

Azerbaijan

ECONOMIC GROWTH

ALTERNATIVE INFLATION METHODOLOGY DEVELOPMENT, Baku, Azerbaijan, December 17, 2008 – February 29, 2008

The Alternative Inflation Methodology Development program was designed to strengthen the GOAJ, National Bank of Azerbaijan and other Azerbaijani institutions' capabilities to develop a monetary and social policy framework that is consistent with fact-based inflation analyses and forecasting. This was accomplished by enhancing the performance of the local partner institution, the Economic Research Center's (ERC) capacities in several functional areas that are core to their mission. First, the intervention provided institutional support to expand the ERC's capacities in macro-economic analysis and forecasting. This included additional "alternative" indices, such as the independent calculation of a consumer price index, and a minimum consumer basket. Second, the intervention expanded ERC's capacity as a resource center for economic data – particularly important for disseminating valuable information to families, businesses, media, civil society and other interested parties in Azerbaijan and abroad. The provision of accurate economic data for Azerbaijani families and businesses is valuable since they are able to properly assess its impact on their expenditures and plan their family/business budgets. Third, the program served to increase the Center's legitimacy and authority in establishing and maintaining relationships with government agencies in Azerbaijan for conducting independent macro-economic analysis and forecasting.

Outputs of the ERC for the program included: a workshop, a press conference, two media publications and two radio debates that served to educate the population about the actual inflation rates and its impact upon socio-economic issues in the country. The workshop presented the results of the previous year's statistical price observations: the annual inflation rate was estimated at 28.96%. The press conference announced the results of the statistical price observations for the month of January, which was calculated at 2.85% for Baku and 2.37% for the regions. The program also introduced the inflation calculator, located on the Economic Research Center's web site www.inf.erc-az.org.

The program resulted in strengthening ERC's institutional capacities in conducting an effective, independent and reliable statistical observation of prices using an alternative approach in contrast to the State Statistics Committee (SSC). As a result, an alternative inflation rate was calculated comparable with official figures. ERC became increasingly known as a respected institution that can be referenced for this economic data. As a result, the GOAJ recently began to make its inflation rate forecasts (calculations and subsequent analysis) more realistic with respect to the independent data. This activity forced the GOAJ to acknowledge the current two-digit inflation rate versus the single-digit that has been regularly announced by SSC for the last several years. Public agencies having access to alternative inflation rates can now conduct more realistic and effective planning and forecasting (and evaluation) of expenditures and revenues. Also, the general population, households, and businesses in particular (banking and financial institutions, insurance companies and other enterprises) are now able to make better, more rational financial decisions by having access to this reliable information on a "real" rate of inflation.

MANAGING SURPLUS LIQUIDITY, London, UK, February 4 – 8, 2008

The Chief Economist at the Monetary Policy Department of the National Bank of Azerbaijan (NBA) attended the **Managing Surplus Liquidity** seminar held in London, UK in February 2008. The seminar aimed to explore the key differences and examine ways in which a central bank can most efficiently and effectively respond to the challenges of managing surplus liquidity in the economy. In many countries, there is a surplus of domestic liquidity: commercial banks hold excess balances at the central bank, which the central bank needs to drain. The issues faced by central banks in countries where there is such a surplus can be very different to those facing a shortage.

The following topics were discussed during the meeting: what difference does a surplus make?; impact of a surplus on the central bank's balance sheet; instruments and design issues in monetary operations; draining liquidity and overlap with the government's borrowing program; measuring a liquidity surplus; and the impact of a surplus on financial market development.

The program enabled the participant to improve skills of analyzing the patterns of excess liquidity and its consequences on monetary policy and to increase his understanding of the theoretical and practical aspects of excess liquidity and effectively use these skills in forming and implementing central bank policy.

As a result of the program, the participant has focused on the identification of a systematic interest rate review by the central bank (as was taught during the course), and has successfully initiated its usage in the National Bank of Azerbaijan. This system will allow the National Bank to analyze, estimate and be able to justify interest rates. The participant has stated that he was also able to successfully incorporate the new skills in forecasting surplus liquidity, and further identifying new ways to improve financial markets in Azerbaijan with respect to this issue.

HOUSEHOLD BUDGET SURVEY (HBS) METHODOLOGY DEVELOPMENT, Baku, Azerbaijan, May 2008 – November 2008

In April, USAID/Azerbaijan requested that the FORECAST program undertake an institutional development program to build on and extend the core capacities of Economic Research Center (ERC), including to: 1) strengthen its ability to undertake economic data collection and analysis of subject matters heretofore not part of its institutional portfolio; 2) expand the ERC's capacities to conduct public outreach and media campaigns; and 3) contribute to the ERC's capacities to advocate for a more transparent and fact-based dialogue within the government, and between the government and concerned segments of the Azerbaijani population.

The objectives of the program were to improve the ERC's performance in:

- Core institutional capacities, such as their ability to calculate and analyze critical economic and policy-related data;
- Conducting advocacy campaigns aimed at promoting a transparent, fact-based and coordinated formulation and application of state policy toward poverty reduction;
- Implementing public awareness activities on the impact of poverty rate calculations on socio-economic decision- and policy-making;
- Supporting intensive cooperation between civil society and public agencies in the fight against poverty.

Program activities focused on the formation of the project's research group, research design, and development of survey questionnaires, including the following:

- ERC held intensive negotiations with several candidates to be selected as the project research advisor. The candidates were drawn from the Urban Institute in Moscow, the Turkish Economic and Social Study Charity Society in Istanbul, the Kazakh Sanj Center, and Windsor University of Canada. As a result, Mr. Nazim Habibov, a visiting professor at Windsor University was recommended to USAID as the best candidate, and he was approved by USAID to work with ERC from July 21 to August 1;
- The research group prepared the first drafts of the survey questionnaire. The draft was sent to several experts to receive their feedback, and was also discussed and agreed to by the USAID/Azerbaijan Economic Growth office;
- Members of the research group began meetings with experts, government officials and representatives of international organizations with the purpose of informing them about the project and tap their expertise regarding research design. ERC's project coordinator met with director of Economic Management and Poverty Reduction office of World Bank in Europe and Central Asia, representative of World Bank in Azerbaijan, director of the Public Resource Monitoring Center and independent economic researchers;
- ERC held correspondence with Quantitative Micro Software Company for purchasing E-Views 6.0 Standard Edition software program that is key for quality research analysis;
- The ERC research group worked jointly with the project advisor on finalizing the research design, and the final version of the survey questionnaire.

Unfortunately, however, it was not until the ERC began its consultations with local and international partners during the late summer that they found that the World Bank had begun planning for a similar survey that is to be conducted in the fall. This was of course previously unbeknownst to the ERC, the USAID office, and FORECAST. Following subsequent discussions regarding the program, FORECAST/Azerbaijan received a request from USAID/Azerbaijan to adjust the subject matter of the household budget survey, which initially aimed at measuring the poverty rate through income and consumption analyses, to focus the survey on poverty vulnerability. FORECAST/Azerbaijan subsequently sent an Action Memorandum to USAID requesting approval for modification of the survey for the activity at no cost to the program.

TRANSPARENT AND EFFICIENT PLANNING AND IMPLEMENTATION OF STATE INVESTMENT FUNDS, Baku, Azerbaijan, October 2008 – January 15, 2009

The goal of the program is to support the institutional capacities of the National Budget Group (NBG) to generate, promote and advocate for more public participation in the formation and utilization of the state investment funds. The NBG believes that increasing public participation in decision-making, and significantly improving the transparency, cost-effectiveness and impact of state investment expenditures can be achieved by: analyzing, and where appropriate, effectively applying the experiences of other developing and transitional countries; organizing targeted public-awareness seminars with the participation of public officials, elected officials and civil society representatives; and undertaking field-based advocacy work.

The intervention consists of the following components:

1. Research and Analysis of International Best Practices in the public investment planning and implementation experience of a natural resource-rich economy with a strong track record in efficient public management of oil revenues (e.g. Norway), and of a number of developing and transitional countries that have carried out major reforms in public investment planning and investment program implementation over the past few decades (e.g.: Chile, Indonesia, Kazakhstan, Turkey);
2. Methodology Development for Analysis and Preparation of Investment Programs;

3. Public Education and Outreach including public presentations in up to 4 regions (e.g. Guba, Shamkir, Imishli and Sumgayit) on public investment planning and implementation processes/procedures with the participation of MPs, and with coverage by the media at the national and regional levels;
4. Applying Public Participation Methodology;
5. Media Outreach: a press conference to present the results of, and recommendations developed, as a result of the project with mass media representatives;
6. Development of a publication analyzing and describing the major results of the project, translate the document into English, and print at least 150 copies in Azerbaijani and 150 copies in English;
7. Final conference to present the project results to an array of governmental, media and civil society representatives at the national level.

**TRAINING PROGRAM FOR ACTUARIES, Baku, Azerbaijan, September 22 – October 17, 2008;
November 3 – 29, 2008**

The Training Program for Actuaries is one of two interventions aimed at building institutional capacity of the State Insurance Supervision Department (SISD) of the Ministry of Finance. The goal of the program is to further professionalize the insurance industry in Azerbaijan through the introduction of international standards in actuary accounting. This program not only fills a much-needed gap in the training of actuaries in the country, but will also assist the ministry in developing their capacities to manage the necessary additional four certification courses that will follow over the course of the next year. The six-course certification series is necessary in order that the graduating actuaries are certified to a level that is recognized internationally, and that would allow Azerbaijan to satisfy one of its core WTO entrance requirements. The training program consists of two course modules:

Course 1 – *Basic Actuarial Mathematics, Ethics, and Statistics*, September 22 – October 17.

The first actuarial training course consists of three weeks of formal lectures and exercises ending with the Second Qualification Examination for Course 1 on October 12. This is followed by one additional week of review ending with the Third Qualification Examination for Course 1 on October 17. Each week consists of five days of teaching, followed by a Mid Term Examination. Each teaching day consists of two lectures in the morning, and a tutorial followed by a test session in the afternoon.

Course 2 – *Application of Actuarial Mathematics to Insurance, Pension, and Investment*, November 3 – 29, 2008.

The second actuarial training course consists of three weeks of formal lectures and exercises ending with the First Qualification Examination for Course 2 on November 22. This is followed by one additional week of review ending with the Second Qualification Examination for Course 2 on November 29. Each week consists of five days of teaching, followed by a Mid Term Examination on Saturday. Each teaching day consists of two lectures in the morning with a tutorial followed by an exercise session in the afternoon.

INVESTING IN PEOPLE

FIFTH REGIONAL FLAGSHIP COURSE ON HEALTH SYSTEM DEVELOPMENT FOR CENTRAL ASIA, CAUCASUS AND MOLDOVA, Bishkek, Kyrgyzstan, June 2 – 13 and June 2 – 19, 2008

The purpose of the *Fifth Flagship Courses on Health System Development for Countries of Central Asia, Caucasus and Moldova*, conducted in Bishkek from June 2 – 19, 2008, was to offer professional development opportunities for decision makers, health policy makers and senior health service managers who are committed to healthcare reform programs, and want to strengthen their efforts through increased theoretical and practical knowledge. The participants sponsored by FORECAST were four representatives of Public Health and Reforms Center.

One of the participants, Mr. Abuzar Mammadov, Head of the Health Economics and Medical Insurance Department of Public Health and Reforms Center (PHRC) also attended *the Fourth Commonwealth of Independent States (CIS) National Health Accounts (NHA) Workshop*, conducted immediately following the Flagship Course from June 17 to 19 in Bishkek. The workshop aimed at helping policymakers to better understand and monitor their health system, and to make comparisons with health systems of other countries using the NHA methodology.

During the program debrief, the participants stated that the Flagship course provided them with the tools to assess the performance of health systems, which will be used in key-decision making on health policy development and implementation, as well as methods to improve health financing and service delivery using. The participants noted that they particularly appreciated the exchange of experiences between experts from countries across the region. The program allowed them to learn about new approaches, and facilitated the development of a common professional language among health care decision makers.

The course included presentations using an interactive approach, group work and general debates. Participants were also asked to use data based on cases from their own country. During the training component, visits to the Kyrgyz Mandatory Health Insurance Fund, Republican Health Information Center and Family Medicine Center were arranged. The participants were exposed to the healthcare system experience of Kyrgyzstan and other countries, and the reforms implemented in these countries were the key topics discussed during the course.

In their action planning form, the participants mentioned that they are planning to conduct an introductory presentation on the Flagship Course to senior staff of the MoH, as well as presentations on healthcare systems, healthcare financing, procurement of medical services and private sector service delivery for PHRC staff. The participants also plan to promote the reforms carried out in other countries and their possible application in Azerbaijan.

Mr. Abuzar Mammadov also shared his impressions about the NHA workshop which was very helpful in improving his health system expenditure analysis and monitoring skills and capacities. It provided an excellent opportunity for all the countries to develop skills in health expenditure tracking and monitoring, including health expenditure data producing.

PROGRAM AND PROJECT SUPPORT (PPS)

MPA PROGRAM – Mr. Tamerlan Taghiyev, Georgia State University

Mr. Tamerlan Taghiyev successfully completed his Masters Degree in Public Administration at the Georgia State University Andrew Young School of Policy Studies in May of 2008, with a GPA of 3.51.

Even though Tamerlan had a difficult time at the very beginning of his studies, since the methodology of education in the US is very much different from the one in Azerbaijan, he assessed the experience of his academic education in the US as very beneficial. Tamerlan stressed that while

many classes were designed to address issues specifically related to the US, the methods and tactics used for decision making and in administration process taught during the classes were very helpful.

MPA PROGRAM - Mr. Rufat Mahmud, Syracuse University

Mr. Mahmud successfully completed his Masters Degree in Public Administration at the Maxwell School of Citizenship and Public Affairs at Syracuse University (with a GPA of 3.4), and an internship with the World Bank in Washington, DC in December 2007.

During the internship component, Mr. Mahmud's primary responsibilities were to analyze recent public investment policies in Azerbaijan and write a background paper for the Country Economic Memorandum. At the same time, he was involved in economic research regarding the countries of Europe and Central Asia. The research focused on productivity growth, tax policy, and impediments for private sector development.

Before participating in the Master's program, Mr. Mahmud held the position of Head of Division for Cooperation with International Finance Institutions at the Ministry of Economic Development. Upon his return to the Ministry, Mr. Mahmud was appointed as the temporary Head of the Department for International Trade and Economic Relations.

MPH PROGRAM – Mr. Fuad Ibrahimov, Emory University

Mr. Ibrahimov successfully completed his Masters Degree at the Emory University Rollins School of Public Health in May of 2008 (with a GPA of 3.95), including a full-time internship at the International Medical Corps, in Baku. Fuad's overall assessment of his academic educational experience in the United States was very positive. He noted that he has acquired important knowledge and skills that will be helpful in achieving his future career goals.

Fuad noted that Azerbaijan launched a major health reform initiative in 2006, which is being supported by key multilateral and bilateral donors including the World Bank and USAID. One of the major components of this reform is the introduction of new health care financing mechanisms that will provide the right incentives for health providers to deliver high quality care. Those mechanisms, which are based on completely different principles, will require expertise that is currently not available in the country. As a person who obtained a broader perspective on these issues and studied the best international experience and lessons learnt in this field, he believes he can make a significant contribution towards achieving the goals established for these reforms. Currently, Fuad is employed as a Health Care Finance Officer at Abt Associates, a USAID partner agency.

Georgia

ENERGY AND ENVIRONMENT (EE)

WASHINGTON INTERNATIONAL RENEWABLE ENERGY (WIREC) CONFERENCE, March 3 to 7, 2008

The WIREC conference brought together government, civil society and private business leaders to address the benefits and costs of a major and rapid scale-up in the global deployment of renewable energy technology. The FORECAST-sponsored Georgian delegation consisted of representatives of Telasi, the Institute of Energy and the local NGO "World Experience for Georgia". The conference was also attended by the Minister and Deputy Minister of Fuel and Energy of Georgia. FORECAST was involved in logistical matters only for the former participants.

The conference provided the participants with an opportunity to share experiences, exchange information, and trade lessons learned in renewable energy and the global and local energy markets with experts and policy-makers from around the world, as well as to discuss common, Georgia-specific issues and policies.

Upon arrival back in Tbilisi, the WIREC participants made a presentation at the *Renewable Energy Potential in Georgia and Policy Options for Its Utilization* workshop, conducted by the USAID-funded Rural Energy Program on March 19. This Workshop gave the WIREC participants an opportunity to discuss possibilities for the further development of renewable energy in Georgia with representatives of the Ministry of Energy, the National Energy Regulatory Commission, public, private, and international organizations, academic institutions, and students.

HEALTH AND SOCIAL DEVELOPMENT (HSD)

CHILDREN AND ADULTS WITH ATTENTION-DEFICIT/HYPERACTIVITY DISORDER (CHADD) CONFERENCE, November 5 to 13, 2007

The USAID/Georgia mission requested the FORECAST program to send a group of Georgian professionals to attend the annual CHADD Conference in Washington DC in November of 2008. CHADD is a US-based non-profit organization providing education, advocacy and support for individuals with Attention-Deficit/Hyperactivity Disorder (AD/HD). The goal of the program was to promote the professional development of participants in providing a support network for parents and caregivers, promoting continuing education and the inclusion of children and adults with disabilities in daily community life.

The conference allowed the participants (two representatives of the Ministry of Education and Science, and one representative of the main NGO partner of the ministry) the chance to hear some of the world's leading experts discuss proven strategies and best practices to help professionals and families better understand options for living with and treating AD/HD.

Immediately following the conference, the participants traveled to New York City, where they met with the following persons/organizations:

- Ms. Margi Trapani, Director of Communications & Education, *Center for Independence of the Disabled*;
- Ms. Alison Gardy, International Relations Director, *92nd Street Y*.

These visits enabled members of the Georgian delegation to start negotiations with the Government of Georgia on the elaboration of new programs, focused on vocational education for youth with disabilities, and other relevant issues, including:

- Preparing students for postsecondary education and careers through strong high school programs, and career and technical education;
- Promoting improved coordination and communication among programs and activities that prepare youth for postsecondary education and careers;
- Insuring the equal access of minorities, individuals with disabilities and disadvantaged persons to careers, technical, and adult education.

On May 8, 2008 a de-briefing meeting was conducted at the FORECAST office. In addition to a thorough presentation attended by the TO and PPS from the USAID Mission, the participants presented a project proposal on *Teachers' Challenges Regarding Students with AD/HD* for consideration

as a FORECAST follow-on activity. A round table discussion focused on the recognition and treatment of children and teens with Attention Deficit/Hyperactivity Disorder (AD/HD). For more information, please see **Success Stories** and **Update on Follow-on Funding Activities** below.

HIGHER EDUCATION SUMMIT FOR GLOBAL DEVELOPMENT, April 27 – May 3, 2008

The USAID Mission requested the FORECAST program to send the rector and head of the International Relations Department at Tbilisi State University (TSU) to **the Higher Education Summit for Global Development** in Washington DC. Directly following the summit, FORECAST also arranged a series of meetings for the participants with a number of universities so that they could explore issues related to the management, administration and operations of more developed (US) institutes of higher education.

The purpose of the program was to discuss and brainstorm new kinds of linkages between the faculties and researchers from colleges; universities and research institutes in developed and developing countries. It also aimed to allow senior TSU representatives the opportunity to better understand the US approaches to university administration and management as well as to discuss issues that are of particular concern to TSU, which continues its comprehensive, western-oriented reform efforts.

In cooperation with TSU, the USAID mission, and the State Department, FORECAST arranged meetings with the following universities following the conference:

- George Washington University
- The Catholic University of America
- American University
- George Mason University
- University of Maryland

Participation in this program gave the TSU delegation a first hand opportunity to share experiences, exchange information and lessons learned in higher education as well as to identify needs in research, teaching faculty, administrative organization, and technology transfer, and to make productive connections for future cooperation – a particularly important issue to support the on-going reform efforts currently underway at TSU. According to the Director of the International Relations of TSU:

The Summit has been just great in terms of organization and the attendees. A wonderful opportunity to listen to interesting speakers, but what is most, this has been a truly unique chance to network and liaison. We made some very promising contacts, and in cases concrete plans of cooperation as well. The USAID Europe and Eurasia meeting in the form of an informal dinner on the 30th of April is also of note. In short, we are extremely satisfied with the outcome and feel most grateful towards the USAID and FORECAST in particular for making it possible for us to attend.

INSTITUTIONAL ASSESSMENT OF KIPSHIDZE CENTRAL UNIVERSITY HOSPITAL, May 12 to May 24, 2008

For the first phase of the partial HICD project at Kipshidze Central University Hospital (KCUH) program, FORECAST contracted Mr. Brue Chandler, an experienced hospital and healthcare management administrator, to conduct an institutional assessment of the hospital. The assessment aimed at: a) defining performance gaps at KCUH, and recommending to FORECAST an

intervention package to address these gaps; and b) recommending whether or not FORECAST should proceed with conducting priority activities from that intervention package.

Data for the assessment was collected through:

- A review of the institution's data/records;
- interviews with the hospital staff;
- observation of the workplace, internal procedures, tools and equipment.

On the last day of the activity, Mr. Chandler held a presentation where preliminary findings and recommendations were introduced to representatives of FORECAST and USAID. FORECAST will approach the mission with Mr. Chandler's recommendations in the nearest future.

THE 2008 GLOBAL SUMMIT OF WOMEN— Cancelled.

In an effort to promote the economic status of women in Georgia, in April FORECAST was requested by the USAID/Georgia Mission to send a delegation of Georgian participants to the *2008 Global Summit of Women* in Hanoi, Vietnam, June 5-7, 2008. Informally, called "Davos for Women" by past participants, the Summit brought together business, professional and governmental leaders from all around the world for three days of simulating sessions led by leaders and influencers who happened to be women.

The Georgian delegation would have been represented at the Summit by Ms. Ekaterine Tkeshelashvili, the Minister of Foreign Affairs, Ms. Natia Turnava, the General Director of the Georgian International Energy Corporation and Ms. Tamar Lebanidze, the founder and governing member of Constanta (the largest microfinance institution of Georgia). The delegation was nominated by USAID because they are recognized as a group of influential women in Georgia who play a significant role in the field of economic growth in the country.

The program was cancelled due to the last minute scheduling conflicts, food poisoning, and subsequent withdrawal of all participants.

TBILISI STATE UNIVERSITY (TSU) HICD

The goal of the Tbilisi State University HICD program is to contribute to TSU's transition to an independent, self-financed and sustainable institution through the establishment of decentralized administrative and management structures and the development of a business plan for the university. The program commenced in July with performance assessment activities carried out by a team of international performance assessment consultants from the US-registered/Slovakia-based organization – Kelly Novak Opportunities (KNO) Worldwide, with the support of the local field of activity expert and three representatives from the local FORECAST partner consortium (Partners Georgia, UNAG, and ARC). During the first round of the assessment (July 14-19, 2008) the performance assessment team conducted an extensive survey of the target institution comprised of the following activities:

- orientation of all key stakeholders for the goals and method of the project;
- review of regulatory framework;
- structural review;
- external environment assessment of upstream and downstream clients of TSU;
- meetings/interviews with peripheral stakeholders;

- interviews conducted with the primary stakeholders from the administration and academic group to identify:
 - needs and expectations;
 - team synthesis meetings;
 - development of action plan for independent research by local consultants;
 - primary areas of focus for deeper process analyses.

The results of the first-phase assessment will be analyzed and used to further design the second phase of the assessment, (delayed by the conflict, and now) planned to take place from October 19 to 29, 2008. The main focus will be given to the process analyses of the areas identified during the first phase, such as:

- Governance and management;
- Financial strictures, flow and decision-making;
- Impact and issues of GoG higher education legislation/policy as it affects TSU operations, implementation of strategy, and improvement process;
- Recruitment, evaluation and staff motivation;
- Competitive and cooperative performance environment of tertiary education;
- Availability of the valid information on job markets that impact professional readiness of graduates.

NATIONAL EDUCATION ACCREDITATION CENTER (NEAC) HICD

The goal of the National Education Accreditation Center (NEAC) HICD program is to improve the overall performance of the center in meeting its short- and medium-term goals in further developing the general education accreditation system and service delivery (training schools in self-assessment and training of external evaluators in evaluation methodologies).

The first (performance assessment) phase of the program was launched in early July. The assessment was carried out by the German-based performance improvement consultancy company Performance Design International (PDI) together with the Center for Training and Consultancy (CTC), the local FORECAST partner organization.

For the second phase of the performance assessment in-depth analyses of key organizational processes were carried out; based on the gathered information key processes were mapped out and initial recommendations drafted. During the final phase (October 28 – 29, 2008) PDI will present the final findings of the assessment to the FORECAST that will lead to identification of short-term cures and longer-term interventions that will ensure NEAC's future development and recognize potential interventions for FORECAST to support.

ELECTRICITY SYSTEM COMMERCIAL OPERATOR— Cancelled.

The Electricity System Commercial Operator (ESCO) program was approved in 2008 FORECAST workplan. USAID requested FORECAST to conduct a limited institutional assessment at ESCO. The goal of this assessment was to identify how subsequent FORECAST interventions may either be coordinated with the future activities contemplated by the USAID Mission Energy & Environment office or incorporated into a future activity with no further FORECAST involvement. It was planned that the activity would be conducted by a local performance assessment team comprised of consultants selected on a competitive basis from the list of local FORECAST (IQC) partners.

However, FORECAST was informed that the newly-contracted Energy Policy and Management Improvement (EPMI) project will focus increasingly on capacity building of partner institutions (such as ESCO) rather than on energy policy. Due to this, the FORECAST activity at ESCO was cancelled by the Mission.

DEMOCRACY AND GOVERNANCE (DG)

MINISTRY OF JUSTICE LEGAL AID SERVICE BUREAUS— Cancelled.

The Legal Aid Service Bureau program with the Ministry of Justice (MoJ) of Georgia was approved in the 2008 FORECAST workplan as a full HICD program. However, since initial development (in the fall of 2007) and approval of the program, a number of factors have delayed and subsequently prohibited the start-up of the program. In particular, frequent and numerous changes in leadership at the MoJ have had a detrimental effect upon the Ministry's interpretation and subsequent acceptance of the originally agreed-to scope of work.

Taking these facts into account on June 13 a recommendation was sent to the FORECAST CTO to either reclassify the program from full to partial-HICD or drop it from 2008 workplan. On that basis, the MoJ program was cancelled on June 17, 2008.

MUNICIPAL SERVICE PROVIDERS AND FINANCE OFFICERS ASSOCIATIONS STUDY TOUR

In order to enhance technical skills, broaden knowledge and deepen expertise, the USAID/Georgia Mission requested FORECAST program to send a group of representatives from the Finance Officers Association and the Municipal Service Providers Association (June 15 - 20, 2008) to attend the *102nd Annual Government Finance Officers Association (GFOA) Conference* in Ft. Lauderdale, and then travel to Washington DC immediately following the conference to visit and hold intensive consultations with a number of municipal service provider associations, and with US government offices that work with these associations.

The 102nd GFOA Conference gave the Georgian participants an opportunity to learn how to govern and structure such associations; what types of services and products are provided by them; observe the specifics of how this type of associations operate and collaborate in other countries.

In addition, the Georgian delegation attended concurrent educational sessions held throughout the conference covering all facets of public financial management. These courses were beneficial not only for those with specific responsibilities in finance but also for the rest of the delegation as all officials attending have direct financial management responsibilities.

The conference was followed up with a visit to Washington DC where the participants held consultations with the following organizations:

- The American Public Workers Associations;
- The National Association of Counties;
- The National Association of State Budget Officers.

These meetings gave the participants a structural and practical view of how these associations operate and helped them to establish professional contacts with their members.

On the whole, participation in the program provided the participants with an opportunity to better understand organizational and practical issues related to service improvement and performance management as they continue to develop municipal associations in Georgia. The program also

provided the Georgian delegation with practical guidance on how to achieve professional recognition through the issuance of “code of ethics”, professional certification and training programs, recognition programs for best practices, and information sharing, as well as by issuing policy statements relevant to the responsibilities of the members and the organizations in which they are employed.

ACADEMIC MEDIA STUDY TOUR

In order to further the modernization and reform efforts in journalism education in Georgia, and pursue the elevation of standards, the USAID/Georgia Mission requested FORECAST to organize the Academic Media Study Tour (June 17-28, 2008), and send a group of deans of journalism schools from four Georgian universities to US universities for meetings, workshops and consultations on modern academic programming in journalism.

The participants were selected from the following schools: the Caucasus School of Journalism and Media Management (CSJMM) at the Georgian Institute of Public Affairs (GIPA), the Caucasus School of Media (SCM) at Caucasus University, the School of Journalism and Mass Communications at the University of Georgia, and the Ivane Javakhishvili Tbilisi State University (TSU) Division of Journalism, under the Department of Social and Political Sciences.

Within the framework of the program, the participants held meetings, consultations and group discussions at the following universities in New York City, and Washington, DC:

- Columbia University
- New York University
- University of Maryland
- Howard University
- Virginia Commonwealth University

The program gave the participants opportunities to improve their management and programming skills, acquire up-to-date knowledge on technical issues, standard management procedures and policies practiced at the US universities. The participants also learned how to manage HR more effectively – how to recruit and evaluate faculty and support their development. They also observed various forms of student media and ways of incorporating it into the teaching process. The study tour was very useful for networking as well. The participants established professional contacts and improved their access to professional debate and specialized information.

Seeing the US system at work made it possible for the participants to grasp the educational concept on which the system relies and effect change in their media schools/departments upon their return to Georgia. In particular, according to the participants:

The visit helped us in several ways:

1. *We established contacts with the key professionals.* We met with the current Presidents of the two most important associations, Dr. Judy VanSlyke Turk, President of ASJMC (Association of Schools of Journalism and Mass Communication), Virginia Commonwealth University, and Dr. Barbara Hines, President of AEJMC (Association for Education in Journalism and Mass Communications), Howard University. We plan to become members of these organizations, which will provide us with the access to wider pool of contacts, information and resources. We also visited editorial offices of the two major trade publications – Columbia Journalism Review and American Journalism Review. We now know in person educators working in various areas of mass

communications, to whom we can refer with questions and with whom we plan to maintain contact.

2. *We now understand what the major challenge to journalism education is and how different schools cope with it. This will help us in strategic planning.* Media convergence resulted in job market demanding graduates with different than traditional skill-set, knowledge and attitudes. While all what is at core of journalism education – instilling commitment to and understanding of professional standards – remains in place and relevant, all journalism schools now try to develop so called New Media Mindset in their students. Students need to be adaptable – learn how to work with words, still images, sound and video and produce content for traditional media as well as online media and for combination of the two. Digital editing skills are the must. Students need to change their attitudes – they need to understand technology and become advanced users if they want to stay in the profession. They can no longer resort to the comfort of print only or broadcast only.
3. *We have observed two major trends, which we will take into consideration, when working on curriculum – journalism schools are backing off from the traditional platform-based approach in teaching and are putting more emphasis on building specialized knowledge in journalism graduates.* New approach of disregarding platform while teaching requires more skilled instructors or team teaching. As about specialized knowledge, at a graduate level schools pay more attention to subject specific reporting. At the undergraduate level the goal is achieved by requiring journalism and mass communication students to minor or double major in an area outside of their field.
4. *We have noted that all schools try to stay close to the communications industry. This is a good example for us to follow.* Internships are strongly encouraged, more and more practicing professionals are involved into teaching, schools and industry organize joint events and engage in joint research.
5. *We found promotion of case based instruction across communications curriculum a very efficient approach and are planning to do the same.* The pilot project undertaken by the Columbia University can serve us as a good example.
6. *We were given an opportunity to take closer look at the radio and TV studios and equipment used in new media and photography classes. This was very helpful to us as we are equipping and designing our own studios and labs.* We took photos of studio set-ups and wrote down names of equipment and software they use.
7. *We observed different models of student media. What we learned will help us in running our own student media.* In some cases radio and TV stations are operated by journalism departments, in other cases – by universities with professionals managing and students of journalism and mass communications departments contributing to it. We discussed pros and cons of each approach. We also saw some innovative approaches, Virginia Commonwealth University School of Mass Communications operating student advertising agency and Philip Merrill College of Journalism at Maryland University operating student news agency as classes, serving real clients.
8. *We have learned how journalism schools prepare for accreditation process. We want to seek international accreditation, so what we have learned will be very useful for us in planning.*
9. *We were given an opportunity to attend key classes and talk to students.*
10. *We got advice regarding textbooks and as a result, we are adopting new textbooks for some classes.*
11. *We received a lot of academic documents, which are not posted on the web for open access (syllabuses, administrative regulations, set of documents for internship, requirements for Masters Thesis, etc.).*
12. *We have learned about support services to improve quality of teaching, some of which can work as a model for us (Center for Excellence in Teaching; centers working with alumni; Fundraising; etc.)*
13. *We observed how universities develop partnerships with different industry organizations to enhance teaching and realized that in Georgia there are many opportunities in this regard that we could explore.*

14. *We received advice on foundations interested in journalism education.*
15. *We have learned not only about journalism programs, but also about public relations and advertising programs. What we have learned will be very useful as some of us plan to offer sequences in public relations and advertising.*

We have discussed the following ways of cooperation:

1. We asked our hosts to admit best Georgian students for a semester (Georgian side will bear the cost. When possible, American side will wave part of tuition)
2. To admit Georgian teachers for a semester for faculty development (Georgian side will bear the cost)
3. Georgian side will invite American young teachers/graduate students who agree to deliver classes (Georgian side can bear accommodation costs and offer modest honoraria)
4. Georgian side can host groups of American students for a class project – for a reporting field trip or for a photojournalism project
5. Strategic goals: Georgian and American universities could approach donors with a proposal to fund long-term partnership between them. American schools could help Georgian schools to develop new public relations or advertising programs or improve existing journalism programs and train Georgian teachers and administrators. Partnerships could result in dual degree programs, with Georgian students studying part in Georgia and part in the States.

On August 1st the program de-briefing was conducted in the USAID office during which the participants highlighted key achievements of the program and reviewed further partnership with the host universities in the US. The participants also plan to apply for a follow-on funding at the end of October—beginning of November.

CONFERENCE ON LEGAL EDUCATION

On July 18-19, 2008 the Conference on Legal Education was conducted in Tbilisi by the American Bar Association (ABA) Rule of Law (RoL) Initiative. The program represented a cost share between ABA/RoL and FORECAST at the request of the USAID mission to cover costs associated with the international travel and per diem that the ABA program had insufficient funds to cover. The conference aimed to support the independence and effectiveness of Georgian judiciary system and promote modern professional standards through education, training and leadership. By attending this conference the participants received an opportunity to observe and discuss issues related to the institutional independence of judges and the judiciary. Namely, the conference addressed the following issues:

- Impartiality of judiciary;
- Judicial selection and judicial training;
- The role of the judiciary in promoting and maintaining the Rule of Law;
- Building public trust in judiciary;
- The role of university education in preparing qualified legal professionals;
- The purpose and objectives of program accreditation for law faculties.

At the same time the event highlighted the importance of legal education reform and program accreditation and described planned or implemented curriculum reforms in various law schools around the country. The program also helped to increase participants' awareness and knowledge regarding the importance of independent and impartial judges and judicial processes, which

significantly contribute to raising professional methodologies, hiring practices and results that should be achieved by developing and implementing proper program accreditation standards.

ECONOMIC GROWTH (E&G)

CHAMBER OF COMMERCE AND INDUSTRY OF GEORGIA

The technical assistance (TA) at the Georgian Chamber of Commerce and Industry (GCCI) program aims to assist the GCCI in planning and executing its priority activities of SME development as well as developing export markets for SMEs in a more directed and comprehensive fashion.

The first phase of the activity was lunched on August 4 and was planned to be finished on August 16. During the first week of this phase, Ms. Irena Rezec, the TA advisor from the Slovenian company WOTRA, conducted introductory meetings and consultations at the GCCI and regional chambers of commerce in Eastern and Western Georgia. The meetings were attended by a representative of the USAID SME Support Project and the FORECAST Program Manager. However, the program activities were interrupted by the outbreak of hostilities in the country. Ms. Rezec left Tbilisi on August 10, 2008.

By the beginning of September, Ms. Rezec provided FORECAST with the preliminary report that included findings and recommendations from the first week of the activity. At the same time, in order to continue the project, FORECAST started negotiations with the management of the GCCI and Ms. Rezec. It has been agreed that the first/suspended phase of the program will continue from October 4 to October 17. During this phase Ms. Irena Rezec will finalize the assessment of the GCCI and the regional chambers commenced in August, 2008. The second phase will take place from November 2 to November 12. During the first phase of the TA, Ms. Rezec will be assisted by Mr. Theo Vaes, and by Mr. Wieger D. Otter during the second one.

PROGRAM AND PROJECT SUPPORT (PPS)

AMERICAN UNIVERSITY IN BULGARIA (AUBG)

This academic training program was commenced under START, the predecessor project of FORECAST, in 2004. Within the scope of this program, three students were awarded scholarships to study for their Bachelor's degrees at the university. Of the three, Ms. Anna Mamatelashvili has successfully completed her Bachelor's Degree in Business Administration. The other student, Papuna Lezhava made up credits that he did not complete during the previous four years and received his degree in Business Administration with the delay. The third student, Alexander Metreveli will make up time lost, and complete his studies later with funding provided by his family. Alexander fell sick, and did not complete the fall/winter 06/07 term.

Upon return to Georgia in May, Ana Mamatelashvili was hired as a risk assessment specialist for Aldagi-BCI, one of the premiere insurance companies in the country. Papuna Lezhava is working in the Financial Supervision Agency (former Banking Supervision Department of the NBG) as an audit specialist in the Bank Documentation Department.

HICD PERFORMANCE ASSESSMENT TRAINING FOR CATEGORY I LOCAL PARTNERS

In March and April of 2008, as a result of a competitive selection procedure FORECAST selected and signed IQCs for Category I local partners: the Center for Training and Consultancy (CTC) and

a consortium consisting of Partners Georgia, the United Nations Association of Georgia (UNAG) and Applied Research Company (ARC).

The selected organizations are participating in HICD assessment and programming activities as contracted providers of the FORECAST program for the duration of the FORECAST contract, or through May of 2011. During this time, the selected/contracted organizations will assume a gradually increasing burden of responsibilities for HICD activities called for under FORECAST with a view to being able to conduct HICD activities for the final year of the program without the assistance of external HICD experts or FORECAST. Thus, in order to build/increase capacity and knowledge of IQC *Category I* local partners on the basics of institutional performance assessment and the HICD methodology, two trainers from Performance Design International (PDI), Klaus Wittkuhn, and Monique Muller (the lead performance improvement experts for the NEAC assessment) conducted a two-day training for Category I partners on HICD methodologies, and practices in July of 2008. By attending the training the participants acquired performance consulting skills and tools to analyze real performance situations, present possible solutions, and to evaluate the results. The workshop provided an important segway into the institutional assessments that directly followed at the NEAC and TSU by drawing upon real-life examples from those institutions.

For more information, please see **Local Partnerships** below.

Workplan Development

Azerbaijan

Although the FORECAST, Azerbaijan workplan was not officially approved during the reporting period FORECAST/Azerbaijan was, however, provided guidance to start implementation of activities with three target institutions previously nominated for HICD or partial HICD programming by USAID partners for FY 2008 workplan:

1. Corporate Governance Division, Ministry of Economic Development, Partial HICD, Economic Growth;
2. National Council for Radio and Television (NCRT), Partial HICD, Democracy and Governance;
3. Public Health and Reforms Center, Ministry of Health (PHRC), Full HICD, Investing in People.

All other programs contained in the draft workplan that are either planned or already underway during the reporting period have been requested by the USAID office throughout the year on an *ad hoc* basis. The status of all programs may be reviewed at **Attachment I**.

Georgia

The FORECAST workplan for FY 2008 was drafted and submitted to the project CTO on December 14, 2008. This was followed by the meetings with all USAID Technical Offices during which the proposed programs and intended categories were discussed in detail. Based on the input received, FORECAST finalized the draft which was approved by the project CTO in March, 2008.

After approval of the workplan FORECAST hold a number of meetings with the representatives of the targeted institutions and stakeholders of Category I programs. The aim of these initial meetings was to secure/confirm buy-in from those target institutions, sketch out the stakeholders group, and explore the scopes of work for assessments and possible interventions.

Also, per later agreement with the CTO, the decision was made that FORECAST will track the activities of Category I local partners separately from other core activities on the workplan. Tracking local partner activity separately will allow FORECAST to better tailor and monitor local partner development as a component of the workplan. It will also make it easier to track the funds allocated to local partner development separate from other activities (HICD, partial HICD, and Exceptional Requests). This will in turn allow the program to keep a detailed record of all expenses related to local partner development, as well as to delineate between such expenses and core HICD activities – the objective of which is to improve the performance of the target institution, rather than local partner development.

The status of all programs may be reviewed at **Attachment II**.

III. INSTITUTION-LEVEL PMPs

Though not called for by the FORECAST Task Order, where practical and appropriate, FORECAST Caucasus utilizes institution-level Performance Monitoring Plans for *partial* HICD programs as well as the HICD program PMPs that are required by the HICD M & E process, and the FORECAST task order. The following is a listing of those programs that have PMPs either already formulated, or planned but not yet developed due to the fact that the institutional assessment was not completed during the reporting period:

- KCUH Hospital (partial HICD) - Draft PMP developed (**Attachment III**);
- NAEC (HICD) - Assessment not completed during reporting period;
- NEAC (HICD) - Assessment not completed during reporting period;
- TSU (HICD) - Assessment not completed during reporting period.

The PMPs for the former three programs will be provided to the FORECAST CTO upon completion of the performance assessments, and included in reporting for the coming year.

Please note that, due to the fact that USAID/Azerbaijan did not approve any of the requested HICD or applicable partial HICD programming for the reporting period, activity-level PMPs are pertinent only to FORECAST, Georgia programming for this reporting period.

IV. FORECAST ACTIVITY-LEVEL PMP

The FORECAST activity-level PMP can be found at **Attachment IV**.

V. LOCAL PARTNERSHIPS

Georgia

On March 13, 2008 FORECAST/Georgia issued a Request for Proposals (RFP) to identify and select domestic organizations for participation in Indefinite Quantity Contracts (IQCs) to serve as service providers for Human and Institutional Capacity Development (HICD) programming and organizational development intervention activities. Of the 22 organizations invited to bid on the IQC, 7 submitted proposals by the March 31 deadline.

Upon the review of the proposals submitted in response, the Center for Training and Consultancy (CTC) and a consortium of three organizations (Partners Georgia, United Nations Association of Georgia (UNAG) and Applied Research Company (ARC)) were rated as qualified for the Category I. Two others, CIVITAS Georgica and the Zhvania School of Public Administration (ZSPA), were

approached with additional requests for clarification. However, neither responses were deemed adequate to qualify them as Category I partners.

The decision was therefore taken to award the consortium (Partners Georgia, UNAG and ARC) and CTC with IQC Contracts for Category I: *HICD and Organizational Development Intervention Services*; and CIVITAS Georgia, ZSPA, Integrated Management Group (IMG), SMART Consulting and Caucasus University with IQC Contracts for Category II: *Organizational Development Intervention Services*. Contracts with local partners were processed in June, 2008.

Organizations selected for the Category I IQC serve as both contracted providers for HICD and Organizational Development (OD) Intervention Services, as well as clients of the FORECAST program (trained and mentored by international performance improvement experts on the HICD methodology).

The selected Category I organization(s) perform the following functions:

1. HICD (assessment) Programming in coordination with international experts contracted by FORECAST;
2. Performance Improvement Organizational Development Interventions (where appropriate);
3. Performance Improvement Monitoring and Evaluation.

Organizations selected for the Category II IQC serve as organizational development intervention service providers only and will provide the following services:

1. Performance Improvement Organizational development Interventions;
2. Performance Improvement Monitoring and Evaluation.

From July, a consortium of three organizations has been conducting the assessment of TSU while CTC has been involved in the assessment of NEAC.

The activities undertaken by the local assessors of TSU include:

- review of “local” and operational approach to higher education developed;
- focus group (faculty and students) discussions held , written summaries provided;
- student demographic data collected;
- job market assessment commenced;
- comparative list of competitive institutions (matrix comparing primary institutions by selected factors) created;
- researched materials/information regarding TSU faculty structure and management obtained and translated.

Some of those activities were conducted independently by the local consultant through on-line consultations with the international assessors. Reports and other deliverables from the performance team members were sent to the international consultants as inputs for designing the second phase of the assessment, and for incorporation into the final report.

The activities undertaken by CTC include:

- focus group discussions with general education representatives: school directors, teachers, and NGO representatives held;
- interviews with NEAC staff as well as primary stakeholders conducted;

- collected data analyzed;
- process maps drafted for school accreditation, higher education/universities and authenticity (responses to requests for verification of coursework taken by students);
- institutional documentation analyzed (legal documents, strategic/policy papers of the organization, as well as policy papers of the Ministry).

CTC also of course contributed to the formulation of final recommendations.

Azerbaijan

On April 9, 2008, FORECAST/Azerbaijan sent the IQC RFP to 33 local organizations/companies, local branches of international organizations/companies, and by April 28, 2008 deadline, 14 proposals were received. The selection and evaluation process of all the proposals was completed in May.

However, per a request received from USAID, FORECAST/Azerbaijan informed all bidders that it would not need services from local organizations as was initially planned. Reason provided for this decision was that the nature of the programs that are now planned within the project has changed. The IQC RFP was therefore cancelled.

VI. SUCCESS STORIES

At the beginning of November 2007, two representatives of the Ministry of Education and Science and one representative of the main NGO partner of the ministry were sent by the FORECAST to Washington DC to attend the annual **Children and Adults with Attention Deficit/Hyperactivity Disorder (CHADD) Conference**. The goal of the program was to promote the professional development of participants in providing a support network for parents and caregivers, promoting continuing education and the inclusion of children and adults with disabilities in daily community life.

The conference allowed the participants the chance to hear some of the world's leading experts discuss proven strategies and best practices to help professionals and families better understand options for living with and treating AD/HD.

Upon their return from the conference the CHADD participants began conducting a series of round table meetings and presentations to share the gained knowledge with the people working in the same field. The work done includes:

1. A round table on *ADHD and Special Educational Needs* was organized at the Ministry of Education and Science, Child Welfare Division in December, and attended by inclusive education trainers from the Inclusive Education Project, specialists from the Child Welfare Division, the Ministry of Education and Science of Georgia, and partner psychologists. The meeting provided the CHADD participants with a better insight into different aspects of the inclusive education as well as gave them an opportunity to share the gained knowledge with the colleagues from the Ministry of Education.
2. A presentation on *ADHD and problems related to ADHD*, also at the Ministry, was attended by the multidisciplinary team of the MoES in February. The goal of the presentation was to introduce various possibilities for teachers to help children with ADHD.
3. Training modules on AD/HD for teachers were developed for the MoES project on inclusive education. This allowed teachers to expand their knowledge and understanding of ADHD as well as to promote the acquired knowledge among professionals.

Currently, the CHADD participants are involved in the project *Introduction of Inclusive Education in General Educational Institutions for Ten Schools in Tbilisi* which is aimed at the inclusion of children with special educational needs into mainstream schools. Please also see **Update on Follow-on Funding Activities** below.

VII. CHALLENGES AND CONSTRAINTS

Georgia

During the reporting period, FORECAST Georgia faced the following challenges:

Registration

Due to the fact that there was no overlap between the START and FORECAST programs, World Learning was forced to re-register as a legal entity in Georgia, a process that took more than two months.

Political Environment

Political events and protests from November 2007 through January 2008 had a negative impact upon the development of the FORECAST workplan, as a number of government office/officials and USAID partners alike were not available for consultation, let alone decision-making regarding potentials for cooperation in the run up to or following the snap elections in November. The process of submission of nominations of targeted institutions was also therefore delayed. These political developments primarily affected the Democracy and Governance TO and its partners since governmental agencies are the primary stakeholders/clients of DG programming activities, as well as other partners.

The Outbreak of Hostilities in South Ossetia and Abkhazia

The outbreak of hostilities in South Ossetia and Abkhazia in early August suspended implementation or development of all FORECAST interventions. In fact, due to the lack of security in the country, international consultants were evacuated as a direct result. FORECAST renewed suspended activities after the restoration of stability, and at the behest of USAID.

Tax Issue

On December 19th, 2007 the Tbilisi Tax Inspection unit of the Ministry of Finance (MoF) unilaterally withdrew 7,716 GEL from the World Learning bank account as a “penalty” for *overpayments* WL allegedly made in 2004. Upon learning this (WL was never informed of the withdrawal/penalty; the WL accountant noticed the discrepancy), WL duly inspected its records, and brought in an independent auditor to investigate the case. The result was that no basis could be found for the penalty in question. WL accordingly filed an appeal with the tax inspectorate.

Consequently, the Tbilisi Tax Inspection unit began a three-month review of World Learning’s tax payments from 2003. As a result, the inspection found a “technical error” whereby their records incorrectly showed a discrepancy for the year 2003. Taking this into account, the Revenue Department of the MoF credited 6,072.93 GEL back to the WL Income Tax Accounting Card. This amount has been deducted from WL’s tax obligations for the months of April, May, and June.

The WL accountant and auditor are still working towards a resolution of the outstanding balance of 1,642 GEL. Unfortunately, though USAID has been duly informed, the mission has not weighed in on this matter.

TraiNet

FORECAST held discussions with the CTO whether the program should collect and enter Partners' data into TraiNet or facilitate TraiNet Web access for partners to enter their own data, and the decision was made that FORECAST should (with the exception of the Community Connections program) continue to be the sole TraiNet data entrance point for all partners in Georgia.

Azerbaijan

Registration

World Learning/Azerbaijan did not have to re-register as a legal entity but had to register the new Country Director and address of the new office with the Ministry of Justice and the Ministry of Taxes of Azerbaijan Republic. The registration process was completed by the end of December, 2007.

Office and Inventory

Due to the fact that there was no overlap between the START and FORECAST programs, FORECAST/Azerbaijan office started fresh with locating and renting new office space, and eventually securing old and purchasing new equipment for the FORECAST Task Order.

The Azerbaijan program could not move its entire inventory to the new office space since it has less space than the previous START office. A portion (20-25%) of the inventory was therefore left in storage at the US Embassy, and will need to be disposed of accordingly. This issue has been raised with the USAID office in Baku and the FORECAST CTO. USAID-Azerbaijan requested FORECAST to contact certain regional based non-governmental organizations and obtain information on their equipment needs. As a result, FORECAST/Azerbaijan project sent the pertinent Action Memorandum to USAID and received approval on disposal of the inventory to the recommended NGOs.

TraiNet

Following discussion FORECAST had with the Azerbaijan Activity Manager, it was decided that FORECAST/Az should also continue to collect partners' training data and enter it into TraiNet.

Close of the Azerbaijan component of the Project

In September 2008, USAID informed FORECAST/Caucasus that its Azerbaijan component must be completed by January 31, 2009. The project was requested, and has submitted a revised program and administrative budget for both country programs to meet this time period and the obligated amount of \$1,100,000, and allow the CoP to operate the Georgia program only from that date.

VIII. UPDATE ON FOLLOW-ON FUNDING ACTIVITIES

Follow-on Funding (FoF) activities (small grants and sub-programs directly funded by FORECAST) of up to \$10,000 are awarded under the FORECAST program to facilitate post-

intervention grantee initiatives. FoFs are a flexible intervention that may be awarded as a strategically planned component of USAID assistance to address performance gaps. FoFs may be used to complement the work of a technical assistance provider, or to help facilitate the execution of training participants' action plans.

On July 2, the FoF request submitted by CHADD participants was approved by the Mission. The proposed initiative, *Teachers' Challenges Regarding Students with AD/HD* aims to develop knowledge and understanding of Attention Deficit Hyperactivity Disorder (ADHD) as a serious educational barrier and to promote this knowledge among professionals working in mainstream educational system as well as in general population.

The activities planned under the initiative include:

- Conducting surveys in ten pilot schools on awareness levels of school staff on AD/HD;
- Translation, publication and distribution of a booklet on AD/HD, designed for public awareness; will be distributed among teachers, parents and organizations working in education;
- Translation, publication and distribution of the brochure *AD/HD and School*. The brochure will include information on AD/HD and its main aspects; will be distributed among teachers, parents and organizations working on disability issues;
- Organization of the workshop *ADHD and Special Educational Needs*. The two-day working will be organized at the Ministry of Education and Science, and attended by representatives of the Ministry and NGOs, members of the multidisciplinary team working for the "Introduction of Inclusive Education in Ten Pilot Schools" project, and school teachers. Psychologists and neurologists working with children with AD/HD syndrome will be invited as speakers.

The duration of the initiative is six months with the budget amount of \$8,170. The start of the project was planned for August. Yet, due to the outbreak of hostilities in the country at the beginning of August the start of the project was delayed from August to September.

The survey of the ten pilot schools will be conducted at the end of October—beginning of November.

IX. UPDATE ON PARTICIPANT PROCESSING SERVICE (PPS) ACTIVITIES

Under its Task Order, FORECAST is mandated to provide a full range of participant processing services (PPS) to USAID-funded implementers upon request. PPS activities are provided within the framework of the USG ADS 252 and 253 and USAID Europe and Eurasia Participant Training regulations. These activities are most often associated with, but not limited to, US-based and third country training and include: facilitating the issuance of visas (i.e.: J-1 visas for US-based training, including VCS entry and administration), arranging medical exams, arranging for health and accident insurance, and conducting English Language testing. For this purpose, World Learning enters into an agreement with the USAID-funded implementers for specific participants processing support services. Under FORECAST, such services are fee of charge.

During the reporting period, **FORECAST/Georgia** signed and processed the following PPS agreements:

- JSI Research & Training Institute—to send a group of participants to the *Politics, Policy and Public Health* program in Washington DC, October 3—November 16, 2007;

- Academy for Education Development (AED)—to send two representatives of the MoES to the *Executive Training in Education, Statistics and Finance* program in Washington DC, November 5—21, 2007;
- Muscatine Community College—to send two representatives of Georgian Technical University and one from the MoES to the *Establishment of the First Georgian Community College* program in Muscatine IA, November 7—16, 2007;
- CHF International—to send one participant from CHF to the *Value Chain Program Design: Promoting Viable Commercial Solutions for MSMEs*, December 1—11, 2007;
- JSI International—to send three participants to the *Observation/study visit in US, University of California, San Francisco*. Program dates: from February 22 to March 3, 2008;
- Winrock, Georgia—to send one participant to the *Washington International Renewable Energy Conference (WIREC 2008)* held in Washington DC, March 1—9, 2008 (including travel).
- The Urban Institute—to send one participant to the *Municipal Finance Officers and Municipal Service Providers Association-building Conference and US Study Tour*, which took place in Fort Lauderdale, Florida and Washington DC from June 14—22, 2008.
- Advanced Engineering Associated International, Inc. (AEAI)—to send five representatives of Ministry of Energy of Georgia and Georgian National Energy and Water Regulatory Commission to *PURC World Bank International Training Program*; to be held in Gainesville, Florida from June 9 to June 20, 2008.
- JSI R&T, Inc Healthy Women in Georgia - to send two participants to the *Workshop on USAID/Federal Rules and Regulations* in Washington DC, July 14 - 27, 2008.

During the reporting period, **FORECAST/Azerbaijan** signed and processed the following PPS agreements:

- CHF International - to send one representative of CHF to the *USAID Federal Rules and Regulations Workshop* held in Washington, DC, on February 12 – 17, 2008;
- BankWorld Financial Sector Stability Program – to send one representative of the National Bank of Azerbaijan to *Macroeconometric Modeling and Forecasting Using Eviews* workshop held in Washington, DC, USA on June 9 – 13, 2008;
- BankWorld Financial Sector Stability Program – to send one representative of the National Bank of Azerbaijan to *Public Financial Management* workshop held in Boston, MA, USA on July 6 - 24, 2008;
- BankWorld Financial Sector Stability Program – to send one representative of the National Bank of Azerbaijan to *Empirical Modeling of Macroeconomic Time Series* workshop held in Washington, DC, and New York, NY, USA on September 29 – October 3, 2008;
- DAI Parliamentary Program in Azerbaijan – to send 9 members of the Parliament, staff of apparatus of the Parliament and 1 DAI's employee to *US Congress Study Tour* held in Washington, DC, USA and Denver, CO, USA on June 5 – 13, 2008.
- Partners for Financial Stability Program (PFSP) – to send on representative of the National Bank of Azerbaijan to Regional Workshop on Internal Audit of Central Banks and Financial Sector Regulatory Authorities held in Philadelphia, PA, USA, on September 20 – 27, 2008.

VIII. REVIEW ON GENDER DEVELOPMENT PROGRESS

According to U.S. Government and USAID policy, FORECAST must work to ensure equal opportunity for the participation of women in all training interventions. As per the ADS and the FORECAST Task Order, the level of participation of women is targeted at 50%. FORECAST further encourages the use of women as training providers and the inclusion of gender awareness

modules throughout training programs where applicable, including orientation, community service, cultural activities, and re-entry planning.

During the reporting period **FORECAST/Georgia** completed eight training interventions (AUBG, CHADD Conference, WIREC Conference, the Higher Education Summit for Global Development, Academic Media Study Tour, Municipal Service Providers and Finance Officers Associations Study Tour, Conference on Legal Education, and HICD Performance Assessment Training for Category I Local Partners). The total number of participants processed under these programs was 43, of whom 21 were female (49%) and 22 male (51%).

During the reporting period, **FORECAST/Azerbaijan** implemented five training programs: Managing Liquidity Surplus, Fifth Regional Flagship Course on Health System Development for Central Asia, Caucasus and Moldova, two MPA programs and an MPH program. The total number of participants processed was 8, of whom 1 was female.

IX. UTILIZATION OF MINORITY SERVING INSTITUTES (MSIs) AND HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCUs)

The use of MSIs is governed by U.S. Government policy that intends to strengthen the capacity of HBCUs and MSIs to provide quality education and to increase opportunities to participate in and benefit from Federal programs. To conform to this policy, the E&E Bureau has as its target that no less than 10 percent of newly programmed U.S.-based training will be provided by HBCUs and MSIs.

During the reporting period, **FORECAST/Georgia** received services from one MSI, Catholic University of America and one HBCU, Howard University.

During the reporting period, **FORECAST/Azerbaijan** did not procure services from any MSIs or HBCUs.

X. ADMINISTRATIVE OVERVIEW

Georgia

Registration

On October 25, 2007 World Learning/Georgia was officially re-registered in accordance with Georgian legislation.

Office Setup

The new project office, now located at Mosashvili 4 in the Vake district, was secured and set up.

HR/Personnel

The following staff was recruited:

- Admin. Assistant (1);
- Training officer (1);
- Program Assistants (2);
- Organizational Development Officer (1).

Early in September, 2008, one Organizational Development Officer resigned due to that fact that she was granted a scholarship from the Central European University Budapest, Hungary to obtain the doctoral degree. As this coincided with notification by the USAID/Az office that FORECAST Azerbaijan would be terminated in January of 2009, the position was not filled - as a function of the Georgia office's efforts to consolidate the program.

Procurement

During the reporting period FORECAST purchased the following equipment in accordance with the WL procurement policy:

- Copier (1)
- Printer (2)
- Computer Processor (6)
- Monitor (8)
- Wireless Access Point (3)
- UPS (4)
- Office Table (3)
- Office Chair (6)
- System Phone (1)
- Phone (3)
- Camera (1)

All newly-procured items were labeled with USAID stickers and entered into the WL master inventory list.

Health Insurance

A competitive procurement procedure was initiated aimed at selecting a local company to provide health insurance services for World Learning local staff. The local carrier Aldagi-BCI was selected and contracted as the most appropriate and suitable.

Health Insurance for UST and TCT Participant and Medical Exams for UST participants

A competitive procurement procedure was also initiated to find the most suitable medical facility (clinic) to conduct medical examinations for Georgian participants on US-based programs. Upon receipt of the bids and physical inspection of the facilities *David Tatisvili* clinic was found to be the best value for its high quality equipment, English speaking doctors and its ability to provide all required services/exams in one location/facility.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September, and approved by the CTO in December. The manual serves as a comprehensive guide to all aspects of FORECAST, Caucasus program operations and procedures; and as such is being localized to the maximum extent possible. Through consultations with CTO and through analyses of program activities and the flow of support/approval documentation, the manual is regularly updated and forms/documents (re)designed.

TraiNet Reporting

Although in February TraiNet System was transferred from stand-alone desktop software to an internet web-based system, FORECAST will continue to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations will provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia.

FORECAST Website

The website aims to serve the needs of program participants, stakeholders and implementing partners, as well as general public. It contains useful information about programs, on-going activities and successes, as well as helpful links and downloadable documents to facilitate participant processing.

FORECAST is expecting the approval of the website's design and content from the USAID HQ in Washington D.C.

Branding Strategy and Marketing Plan

In October 2007, the project logo was designed and submitted for approval to the FORECAST CTO together with the FORECAST Caucasus Branding and Marketing Plan. The CTO concurrence for project insignia/identity was subsequently obtained and accordingly the Caucasus Branding and Marketing Plan was considered approved.

Inventory

This year World Learning Headquarters requested WL inventory report in May instead of June as was previously the case. The updated inventory report has been submitted to the Headquarters after conducting annual physical verification of the FORECAST inventory in May 2008. A copy of the report is available upon request. The most recent inventory report (updated in September) is attached.

Database

The FORECAST database of the hotel and conference facilities and logistical information in Georgia as well as local service providers has been updated.

Azerbaijan

Registration

The Azerbaijan office successfully registered its new country director and the address of its new office with the Ministry of Taxes of Azerbaijan Republic on November 21, 2007 and with the Ministry of Justice on December 18.

Office Setup

The new project office was set up by the end of September and now is located at 17 Samad Vurgun street, apt. 9, Nasimi district.

HR/Personnel

The recruitment process for re-hiring staff was completed in September. In October, the Admin. Assistant resigned and a new Admin. Assistant was recruited and hired in November. The

FORECAST Administrative Assistant resigned at the beginning of June, and a new assistant was recruited and hired.

Procurement

FORECAST purchased the following equipment in accordance with the WL procurement policy:

- Air Conditioners (3)
- Office Jet (1) (Fax, Scanner, Copier)
- Safe (1)
- Copier (1)
- Hot/cold water dispenser (1)
- UPS (3)

All newly-procured items were labeled with USAID stickers and entered into the master inventory list.

Health Insurance

A competitive procurement procedure was initiated aimed at selecting a local company providing health insurance services for World Learning local staff. The local carrier Standard Insurance was selected as the most appropriate and suitable.

Travel Insurance for TCT participants

A competitive procurement procedure was also initiated to find the most suitable insurance company to provide travel insurance for Azerbaijani participants of TCT-based programs. Upon receipt of the bids *Ateshgah Insurance Company* was found to be the best for its high quality service and reasonable prices.

TraiNet Reporting

On a quarterly basis the USAID FORECAST continues to send a letter with an attached TraiNet report form designed by WL to USAID/Azerbaijan partners requesting them to provide WL with information about their third country and in-country trainings implemented with USAID funding.

Office Closeout

Due to the end of the FORECAST Project in January 2009, WLI has begun planning steps necessary for closeout of the project.