

Georgia: Work Creation Programme in the area surrounding the Borjomi-Kharagauli National Park

Ex post evaluation report

OECD sector	43040 - Rural development	
BMZ project ID	1999 65 989	
Project executing agency	Municipal Development Fund of Georgia	
Consultant	GOPA	
Year of ex post evaluation report	2009	
	Project appraisal (planned)	Ex post evaluation (actual)
Start of implementation	Q1 2000	Q3 2000
Period of implementation	36	54
Investment costs	EUR 3.1 million	EUR 2.6 million
Counterpart contribution	EUR 0.5 million	EUR 0.1 million
Financing, of which Financial Cooperation (FC) funds	2.56	2.56
Other institutions/donors involved	<>	<>
Performance rating	3	
• Relevance	2	
• Effectiveness	2	
• Efficiency	3	
• Overarching developmental impact	2	
• Sustainability	3	

Brief description, overall objective and project objectives with indicators

The project comprised labour-intensive rehabilitation works in the six districts surrounding the national park: Adigeni, Akhaltsikhe, Bagdati, Borjomi, Khashuri and Kharagauli. These covered communal amenities such as schools, community centres, and small-scale water supply facilities, as well as roads and bridges. The project objective was to achieve a temporary increase in income levels among the local population through job creation. The overall objective was to contribute to the improvement of general living conditions and better access to communal facilities for the inhabitants of the programme region.

Under this project, a total of 25 individual sub-projects (schools, community centres, small-scale water supplies, and rural roads) were completed between 2000 and 2003. These were located in small settlements outside the main towns of the six districts named above.

Project design / major deviations from original planning and their main causes

Individual projects were selected (in accordance with the criteria defined in the

programme) from applications submitted by local 'Micro Project Committees (MPCs)'. These were implemented and handed over to the operators by the Georgian Social Fund, which was subsequently merged into the Municipal Development Fund. Rehabilitation and upgrading measures proceeded in line with the components defined in the project appraisal report.

Main conclusions from the impact analysis and performance rating

This project comprised the construction of thirteen schools, five community centres, four small-scale water supply systems and three rural roads (including two bridges). Altogether the programme served around 23,300 people, which equates to approx. 10% of the total population, or 15% of the rural population, of the six districts of Adigeni, Akhaltsikhe, Bagdati, Borjomi, Kharagauli and Khashuri. Living conditions for the target group have improved in the programme region, so it is fair to assume that a significant contribution was made to the overall objective. Although the project's contribution to this situation can not be measured and proven with an adequate level of confidence, this assumption seems reasonable on the basis of the project effects detailed above. It was also confirmed in discussions with local partners during ex post evaluation site visits.

In keeping with the Georgian Government's decentralisation policy, responsibility for the facilities provided was transferred to the district authorities. These also have operational responsibility, except in the case of schools: the Georgian Ministry of Education finances schools operation and maintenance directly through schools administration bodies, which have budgetary responsibility and generally possess adequate funding. However, when duties were transferred to the district authorities they were not accompanied by appropriate resources; i.e. in this country the 'connectivity principle' ('he who orders, pays') did not, and does not, apply. As a result, there are financial constraints on the preventative maintenance of communal facilities throughout the country. Furthermore, essential repairs which are truly urgent are managed on an 'ad hoc' basis, and financed by direct contributions from the users. This leads to interruptions in service, but in the main it serves to extend the operational lifespan of the facilities to a level which is more or less acceptable.

In summary, it can be observed that

- thirteen schools and three roads (64% of individual projects, 60% of the total sum invested (TSI) have only limited problems in operation and maintenance;
- serious problems exist at three drinking water systems (12% of individual sub-projects, 18% of TSI), which are under control through 'ad hoc' remedial action;
- maintenance of one drinking water system and five community centres (24% of individual sub-projects, 22% of TSI) is so inadequate that the operational lifespan scheduled for these investments will not be achieved. The drinking water system has already ceased to function. Because of the system of 'ad hoc contributions for repairs', it is not possible to estimate to what extent the usable life of the community centres has been shortened.

By providing employment opportunities, improving access to communal facilities and supporting the Borjomi-Kharagauli National Park (BKNP), the project has made a direct contribution to improving living conditions for local inhabitants. Through the MPCs, the population was either directly or indirectly involved in the identification of sub-projects. The six municipalities covered by the programme are among the poorest regions in Georgia. In five of them, the proportion of the population living below the official Georgian poverty line in 2003, toward the end of the project, still stood at 62–75%. No significant environmental benefits accrued from the sub-projects. However, the programme was not designed to achieve direct results in environmental protection or resource conservation. Due to the physically demanding nature of some tasks, work in the construction phase was performed almost exclusively by men. The whole family received the income however, so women also benefited. The drinking water system and schools sub-projects also had a direct, positive effect on living conditions for these

women, since food, health and education traditionally fall more into their areas of responsibility. The implementation concept was designed to involve the local population through the complete life-cycle of the sub-project. Suggestions for individual sub-projects were collected through community meetings. Elected community representatives took part in project selection and construction supervision. The district authorities took over official responsibility for the infrastructure provided or for the co-financed ancillary investments (e.g. in schools). The sub-projects also contributed to the provision of modified public services and to the wider recognition of local government.

Relevance: The project tackled significant problems (high unemployment, poor public services) through income generation and infrastructure improvements in a poor area on the edge of the Borjomi nature reserve. The package of measures was designed to help in the resolution of existing problems, in part for a limited period (unemployment), and in part on a permanent basis (public services, promotion of the Borjomi nature reserve) (rating 2, good).

Effectiveness: By providing employment opportunities, improving access to communal facilities and supporting the Borjomi-Kharagauli National Park, the project made a direct contribution to the improvement of living conditions for local inhabitants. Through the MPCs, the population was either directly or indirectly involved in the identification of sub-projects. The six municipalities covered by the programme are among the poorest regions in Georgia. In the main, the project objective indicators (local cost proportion, acceptable level of utilisation by the target group and correct operation) were attained, so the programme objective may be considered to have been achieved (rating 2, good).

Efficiency: Overall efficiency is (still) satisfactory. Overall cost-efficiency for the facilities provided is rated as adequate, but material utilisation tended to be higher than necessary. This results from instances of oversized construction, deficiencies in the quality of construction materials and, not least, the meagre level of services contributed by the communities themselves, all combined with the lack of a pricing system (rating 3, satisfactory).

Overarching developmental impact: The project achieved results and instigated effects which went well beyond the impact of individual sub-projects: (a) increased liquidity (higher wages, contracts awarded to local companies) served to energise the local business cycle; (b) the Borjomi-Kharagauli National Park was supported as a model project in the pursuit of its objectives, thereby supporting nature protection in general in the South Caucasus region; (c) hopes of better prospects in the future were strengthened among the hitherto marginalised and disillusioned local population, thereby making a small contribution to curbing Georgia's internal conflict by implementing national development programmes that addressed community priorities (which had not previously existed); and (d) because of the project's participative approach, the local population became familiar with application procedures and formalities, helping them to make better use of subsequent financing opportunities (rating 2, good).

Sustainability: When evaluating sustainability in Georgia and other transition countries, it is important to recognise a widespread reality: in many projects where maintenance, from a technical viewpoint, has been only partially satisfactory, at least ad hoc repairs have been carried out. This extends the usable life of facilities and reduces the risk of accidents. Overall we expect that the operational deficiencies encountered in 64% of the facilities (60% by TSI) will not lead to such serious faults that significant reductions in service life are anticipated, and therefore sustainability is still considered satisfactory. The financial and technical problems encountered in the maintenance of the other nine sub-projects (40% of the TSI) must be considered in the wider Georgian context. These problems were recognised as risks at project appraisal. In view of the durability of individual contributions made by the project to problem resolution, to the achievement of BKNP objectives and to overarching developmental objectives, overall sustainability is evaluated as satisfactory (rating 3).

Despite good ratings for relevance, effectiveness and overarching impact, the project overall is only rated as satisfactory from the developmental viewpoint, principally because the sustainability of investments in communal infrastructure emerged as only just satisfactory. This merits particular emphasis, since it is crucial for the operating lifespan of the investment, and hence for its viability and for the durability of its effects. This is quite apart from the safety risks implicit in using infrastructure which has not been regularly maintained, and may even be structurally unsound (overall assessment: rating 3, satisfactory result).

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness (outcome), “overarching developmental impact” and efficiency. The ratings are also used to arrive at a final assessment of a project’s overall developmental efficacy. The scale is as follows:

- 1 Very good rating that clearly exceeds expectations
- 2 Good rating fully in line with expectations and without any significant shortcomings
- 3 Satisfactory rating – project falls short of expectations but the positive results dominate
- 4 Unsatisfactory rating – significantly below expectations, with negative results dominating despite discernible positive results
- 5 Clearly inadequate rating – despite some positive partial results the negative results clearly dominate
- 6 The project has no positive results or the situation has actually deteriorated

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates a project which has no sufficiently positive results.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and an improvement is very unlikely. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a “successful” project while

a rating of 4 to 6 indicates an “unsuccessful” project. In using (with a project-specific weighting) the five key factors to form an overall rating, it should be noted that a project can generally only be considered developmentally “successful” if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“overarching developmental impact”) and the sustainability are considered at least “satisfactory” (rating 3).

