

# Strengthening Rural Development Models in Georgia

Mid-Term Evaluation, January 2019

# 1. Executive Summary

*Strengthening Rural Development Models in Georgia* seeks to build on the success found by Mercy Corps, CARE and People in Need as they introduced the LEADER model for rural development to the municipalities of Borjomi, Lagodekhi and Kazbegi. In addition to continuing to implement this community-led local development approach, they were tasked with providing more national-level support for other Georgian LEADER implementations with the support of ELARD, a Europe-based not for profit organisation.

A series of interviews and focus groups held with beneficiaries, implementing agencies and other stakeholders provided a very positive picture of the impact being delivered by the LEADER model in these three municipalities, particularly in terms of increased engagement with local governance, community cohesion and economic participation.

Results further suggested that the growing presence LEADER in Georgia's rural municipalities was positively moving Georgian rural governance in the direction envisioned by the Georgian Government and the Delegation of the European Union, that is, towards a state of alignment with the European Common Agricultural Policy.

The main difficulty identified is that Georgian Government policy looking forward appears to be wavering with regards to its commitment to the LEADER model, despite the levels of investment provided by the EU.

## 2. Glossary

CLLD	Community-Led Local Development
EC	European Commission
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EU	European Union
FGD	Focus Group Discussion

GALAG	Georgian Association of Local Action Groups
LAG	Local Action Group
LDS	Local Development Strategy
LEADER	(an acronym in French – Liaison entre actions de développement de l'économie rurale – meaning Links between actions for the development of the rural economy) is a European Union initiative to support rural development projects initiated at the local level in order to revitalise rural areas
Phase I	Refers to the programming from 2015 to 2017 when the three LAGs were established
SRDM	Strengthening Rural Development Models, the project under evaluation

### 3. Recommendations

#### *For current and future programming*

1. Recommendation: For LAGs with an “open membership” model, a more relevant indicator would be to look at the composition of ‘active members’ rather than all members, for example those on committees or regular meeting attendees.
2. Recommendation: Compile and share learnings from all LAGs from the development of Local Development Strategies (LDS) and competition criteria
3. Recommendation: Calculate number of households benefiting from job creation to better describe economic impact.
4. Recommendation: Attempts should be made to measure the citizens of neighboring municipalities’ awareness of LEADER initiatives and demands (if any) for replication in their own communities.
5. Recommendation: Open GALAG membership under “observer” status to municipal governments with interest in introducing the LEADER model.
6. Recommendation: GALAG to include Regional Government in target audience.
7. Recommendation: Target young people in future evaluations to improve understanding of the impact of LEADER on push and pull factors of urban migration.
8. Recommendation: GALAG should develop examples for municipal governments on how they can support LAGs beyond direct financial contributions.

## 4. Background

Georgia is an independent country in the Caucasus, one of a number of countries formerly part of the Soviet Union. Rated as a lower-middle income country, around 20% of the country is currently occupied by the Russian Federation. Progress on market reforms and democratisation has been made in the years since independence, but this progress has been complicated by Russian assistance and support to the separatist regions of Abkhazia and South Ossetia. Poverty levels have been rapidly falling since 2010, and Georgia is unique amongst post-Soviet states in its embrace of democracy. Popular and government support for integration with the West is high in Georgia. Joining the EU and NATO are among the country's top foreign policy goals. 41% of the population remain in rural areas, and they are disproportionately represented amongst figures looking at deprivation in the country.

Georgia's main economic activities include cultivation of agricultural products such as grapes, citrus fruits, and hazelnuts; mining of manganese, copper, and gold; and producing alcoholic and nonalcoholic beverages, metals, machinery, and chemicals in small-scale industries. The country imports nearly all of its required supplies of natural gas and oil products. It has sizeable hydropower capacity that now provides most of its electricity needs.

The project itself seeks to build on the work accomplished under the ENPARD Phase I “Pilot Rural Development Measures” projects implemented independently in the municipalities of Borjomi, Lagodekhi and Kazbegi from 2015 to 2017 by Mercy Corps, CARE Austria and People in Need (PIN). These three organisations subsequently partnered with ELARD, a non-profit association set up to contribute to the LEADER/CLLD implementation in Europe. It seeks to continue to promote a bottom-up, community-led approach to local development and will further extend support to the existing Local Action Groups in these municipalities. The ideas incorporated into the project design are based upon good practices and lessons learned during the implementation of the ENPARD I projects. They focus on the best ways to make the three LAGs more professional and sustainable, building their knowledge and capacity and providing them with the tools to allow them to operate independently after the project's completion. The project will also support the disbursement of development sub-grants that will further support the realisation of the Local Development Strategies (LDS) that have been developed.

Furthermore, the proposed project will work to create a network of all LAGs developed under the ENPARD programme (and other similar initiatives). This network – termed the Georgian Association of LAGs (GALAG) – will be a conduit for information exchange and learning across the country, and will act as an advocate for community-led local development with key state and non-state actors. Much of the support to be provided to GALAG will come from ELARD.

## The LEADER Model

LEADER is a local development method which has been used for more than 20 years to engage local actors in the design and delivery of strategies, decision-making and resource allocation for the development of their rural areas.

It is implemented by around 2 600 Local Action Groups (LAGs), covering over 54% of the rural population in the EU and bringing together public, private and civil-society stakeholders in a particular area.

LEADER sits within a broader approach referred to as Community-Led Local Development (CLLD). Due to its bottom-up, partnership-based character, CLLD is expected to foster socio-economic development in a way that cannot be delivered by top-down policies. Indeed, the process of community outreach, known as “animation”, and involvement of the local population in the development of its area can be as important as the sum of the individual projects funded.

Community animation can help reach target groups that are hard to reach by traditional, top-down funding schemes; its integrated nature can help foster partnerships and joint action between different stakeholder groups, and the fact that decision-making happens at a local level can encourage more flexible and innovative responses to local problems. It can provide targeted support while building the capacity of local actors to develop and implement their own projects, and the special place afforded to networking and cooperation can facilitate the transfer of knowledge from one area to another and increase the impact of individual actions.

As noted above, it is Georgian Government policy to reach alignment with EU rules and policies, a so-called “pre-accession” state.

The rural development component of the pre-accession pathway is called IPARD - Instrument for Pre-Accession Assistance in Rural Development.

There are two objectives within IPARD:

1. To provide assistance for the implementation of the acquis concerning the Common Agricultural Policy;
2. To contribute to the sustainable adaptation of the agricultural sector and rural areas in the candidate country.

LEADER is one of three “axes” to be met. The EU has been supporting the implementation of LEADER in Georgia since 2015.

## 5. Objectives of the Evaluation

This is a mid-term evaluation of Strengthening Rural Development Models in Georgia (SRDM). SRDM commenced on 1 November 2017 and is due to finish on 31 October 2019. While not specifically required under the terms of the grant agreement, this evaluation is intended to provide guidance to both the implementers of the grant and the European Commission (EC), the donor. It also contains guidance and learnings relevant to all implementers of the LEADER model in Georgia.

## Scope

The terms of reference of the evaluation requested a focus on the following:

- Awareness raised within the three target municipalities and communities about LEADER.
- Built capacity of three Local Action Groups and newly established Georgian Association of Local Action Groups (GALAG).
- Relevance of the Local Development Strategy to the local context.
- Assessment of the grant application process.
- Assessment of sustainability of the sub-grant projects funded during Phase I.
- Assessment of the efficiency of networking and communication with other rural development implementing agencies and other stakeholders.

Specific requests were also made for the below:

- Compare planned outputs of the project in the first 12 months to the actual outputs and assess the results and determine their contribution to the attainment of the project objectives.
- Analyse the level of the awareness raised on LEADER approach following to the information campaign and the previous sub-projects implemented.
- Evaluate the composition of the LAG, its operation, its members' knowledge of locally-led development and engagement in all aspects of the project delivery.
- Appraise relevance of the updated Local Development Strategy.
- Assess the efficiency of the selection process of the sub-projects for grant support.
- Meet with project beneficiaries supported during Phase I project in order to assess sustainability of the projects funded.
- Meet various project stakeholders in order to assess level of efficiency of networking and communication within main actors and rural development implementing agencies.

DAC Evaluation criteria have been used to shape the format of this report and ensure a comprehensive evaluation.

## 5.1. Methodology

Desk research commenced in December 2018, and fieldwork took place in Georgia from January 14 to 24, 2019.

Visits were scheduled to Tbilisi, to talk with key stakeholders, and the municipalities of Lagodekhi, Borjomi and Kazbegi, the principal target geographies of the project. Two days were scheduled for each of the target municipalities.

A variety of tools were developed for data collection and are included as annexes to this document. These tools were used to collect data from the respondents listed below:

Type	Respondent	Comment
Key Informant Interviews	Mercy Corps Country Director	
	Mercy Corps Programme Director	
	Mercy Corps Programme Manager (Borjomi)	
	ELARD Programme Manager	
	PIN Country Director	Implementation Partner; context; donor landscape
	PIN Programme Manager (Kazbegi)	Implementation Partner; interactions with Mercy Corps as lead
	CARE Country Director	Implementation Partner; context; donor landscape
	CARE Programme Manager (Lagodekhi)	Implementation Partner; interactions with Mercy Corps as lead
	Georgian Institute of Public Affairs	LEADER implementer
	RDFG	LEADER implementer
HeksEper	LEADER implementer	
	EU Delegation Programme Manager	Donor

	UNDP Project team	
	Successful Sub-Project Applicants	8
	Unsuccessful Sub-Project Applicant	5
	Head of Rural Policy, Scottish Government	
Focus Group Discussions	Borjomi LAG Members	#8
	Borjomi Community Members	Two groups of four
	Lagodekhi LAG Members	#16
	Lagodekhi Community Members	Two groups of four
Survey	LAG members	# respondents

These tools were developed based on the logframe and Terms of Reference. Amendments were made to the tools following initial discussions in Tbilisi to better capture the wider impact of the programming during travels to the implementation areas.

Heavy snow meant it was not possible to travel to Kazbegi municipality despite repeated attempts. Fortunately, it was possible to meet with the Kazbegi Programme Manager in Tbilisi. The Programme Manager also facilitated distribution of the survey to LAG members.

There were elements of self-selection bias regarding the respondents arranged for FGDs. This had the potential to impact primarily the assessment of outreach efforts; however, targeted questioning and demonstrated links between participation levels and village populations were sufficient to give confidence that, at least in target areas, views were reasonably representative. Random selection would have been preferable, but reduced village populations and reduced activity during winter made this difficult.

With fewer budget constraints, there would be significant value in conducting a Knowledge, Attitude and Practices (KAP) Survey in the target municipalities, as well as neighbouring municipalities.



# 6. Findings

## 6.1. Relevance

### 6.1.1. Programme Concept

The LEADER model as described above remains relevant for implementation in Georgia.

Georgia's modern history means there is still a bias towards centralised decision-making from Tbilisi. However, since the Rose Revolution Georgia has stood out as a post-Soviet country with commitment from all areas of society to progress to full democracy, and it has made great strides. The LEADER model offers a proven process for measured introduction of decentralised decision-making; the flexibility of the model makes it particularly suited to a society still testing the waters of grassroots democracy.

Georgia has a bipartisan commitment to full alignment with EU norms and practices, with a long aspiration of acceding to the EU. The LEADER model is a central method of rural development within the Common Agricultural Policy, and so ongoing support and expansion of the LEADER approach in Georgia remains relevant from this perspective.

With the support of the European Union via ENPARD, the Georgian Government drafted a Rural Development Strategy for 2017-2020, which states:

...the creation of effective mechanisms that includes the local population and the facilitation of the participation of women and youth. Capacity building of the rural population for the use of these mechanisms is also very important. From this point of view, the pilot project that tests the efficacy of Local Action Groups (LAGs) is significant.

Finally, with regards to the sub-project component, the relevance is measured by the ongoing relevance of each LAG's Local Development Strategy (LDS) and its consistent application to the criteria for sub-project selection.

All three LAGs updated their LDS during the implementation of this project, though none of the LAGs indicated wholesale changes were required since the originals were drafted.

Of the 48 LAG members surveyed, only one (1), a representative of the business sector in Lagodekhi, indicated that they did not believe the LDS was heading in the right direction for the municipality.

During FGDs with community groups, there was consistent agreement with the priorities of the relevant LDS, with most discussion being around which priority deserved the most attention.

## 6.2. Effectiveness

The effectiveness of the project at an outcome level, at this midpoint, is difficult to comment on quantifiably using the logframe's indicators, as few plans were made to take a midterm assessment of them given the short timeline of the project (24 months).

However, other data sets not directly linked to the logframe are available and can be used as proxy indicators to track progress of the outcome-level indicators. These are discussed below under "Impact".

### Public Awareness

The effectiveness of the project at an outcome level, at this midpoint, is difficult to comment on quantifiably using the logframe's indicators, as few plans were made to take a midterm assessment of them given the short timeline of the project (24 months).

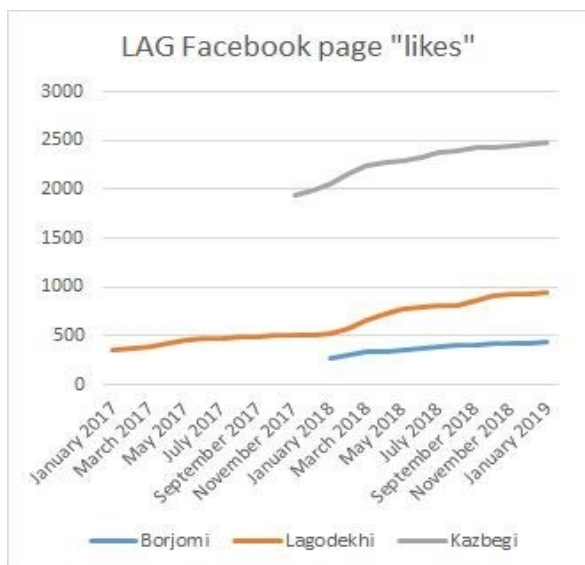
However, other data sets not directly linked to the logframe are available and can be used as proxy indicators to track progress of the outcome-level indicators. These are discussed below under "Impact".

Public meetings, facilitated by the project implementers supporting the LAGs, proved an effective method of outreach to highly-engaged individuals. Respondents interviewed who went on to apply for subgrants, successfully and unsuccessfully, all attended these meetings and/or the "open door" sessions where people could turn up at the implementer's office without an appointment to ask questions. However, it should be considered in the context that only highly-engaged individuals attended these meetings, while interviewed respondents who were interested in the process but not willing to be formally engaged were more likely to use online resources and informal meetings with LAG members to gather information and stay up-to-date. FGDs held with community members, and FGDs held with LAG members, both demonstrated that LAG members, especially those on committees within the LAG, held many outreach sessions of their own in their villages.

*"Nana (Lagodekhi LAG and committee member) makes herself available to book appointments with. She especially encourages young people to do so." -*

*Community Member, Leliani Village, Lagodekhi*

The below chart showing Facebook "likes" over time for the three LAGs' pages gives some statistical insight into the effectiveness of one of the major outreach campaigns which preceded the main grant competition for SRDM.



March 2018 shows a visible increase in “likes” for all LAGs, and this coincides with the commencement of the outreach campaign. This follow-on engagement on Facebook shows that the campaign was successful in creating an appetite for further information on this community-led local development approach.

## Membership

Output	Criteria	Baseline	Current	Target
Inclusion of more youth, women, private sector actors, people with disabilities (PWD) and representatives from remote communities is increased in LAGs;	Increased participation of youth, women, private sector actors (PS), PWD and representatives from remote communities (RC) as LAG members	Borjomi	Borjomi	Borjomi
		- youth 14%	- youth 14%-24%	- youth 20%
		- women 39%	- women 39%-37%	- women 50%
		- PS 57%	- PS 57%-58%	- PS 65%
- PWD 0%	- PWD 0%-0%	- PWD 3%		
- RC 3%	- RC 3%-0%	- RC 6%		
Kazbegi	Kazbegi	Kazbegi:		
- youth 18%	- youth 18%-17%	- youth 25%		
- women 45%	- women 45%-62%	- women 50%		
- PS 75%	- PS 75%-49%	- PS 80%		
- PWD 0%	- PWD 0%	- PWD 1%		
- RC 25%	- RC 25%	- RC 35%		
Lagodekhi	Lagodekhi			
- youth 11 %	- youth 11 %	- youth 20%		

		- women 37%	- PWD 0% 0%	- women 50%
		- PS 58%	- RC 25% 20%	- PS 65%
		- PWD 0%		- PWD 2%
		- RC 0%		- RC 0%
			Lagodekhi	
			- youth 11% 14%	
			- women 37%-43%	
			- PS 58% 43%	
			- PWD 0%-1	
			- RC 0%	

These figures form an important indicator of both the broad appeal of the LEADER concept, as well as how accessible the LAGs have been in terms of both initial outreach, structure and operation.

Mean age of LAG members (Phase 1 to February 2019)		
Borjomi	Lagodekhi	Kazbegi
41	41	40

The mean ages of LAG members from the inception of the project in 2015 to now, shown above in Figure X, are surprisingly consistent. As of 2018, the estimated median age of Georgia is 38.31. Given the well acknowledged problem of youth migration away from rural areas, the averages achieved are relatively positive in terms of representation of youth.

During field work for the mid-term evaluation, none of the LAGs had any person with a disability as a member. Both Lagodekhi and Borjomi LAGs indicated they had mitigated this by using the criteria to prioritise any project they think would benefit those with a disability.

However, it remains unlikely that the targets will be reached, as there is a broader issue within rural Georgian communities of facilitating movement and interaction for anyone with more than a minor disability.

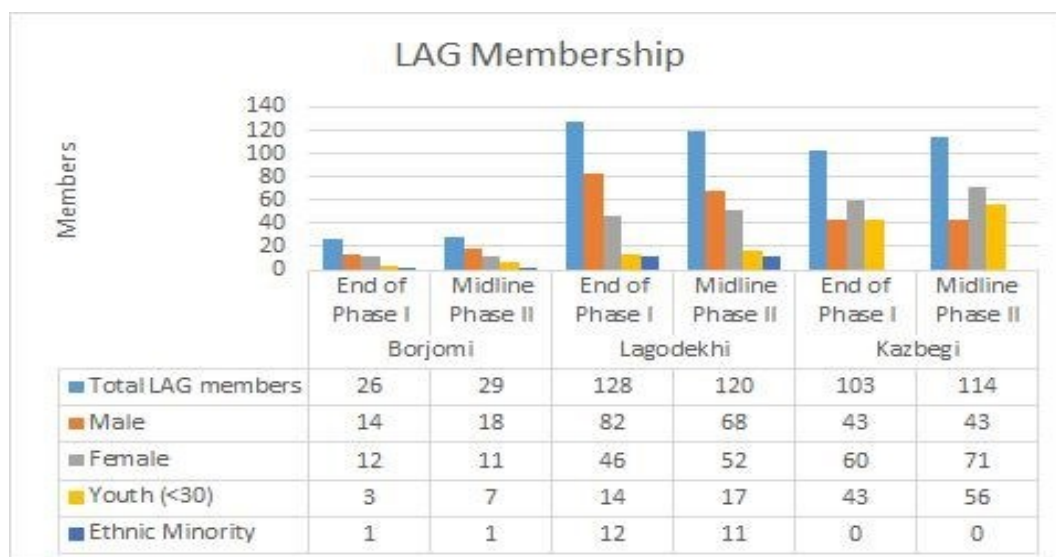
<sup>1</sup> CIA world Factbook

Kazbegi has shown the most success in diversifying its LAG membership, currently exceeding its targets for youth and women membership, though with a marginal reduction from the baseline in private sector and remote community participation.

Lagodekhi LAD did not meet set indicator in terms of LAG composition yet. However, they continue working on this issue and will reach target figures by the end of the project.

Borjomi has already reached its target for youth and for remote communities, with the latter showing an impressive growth, more than tripling since the baseline. The driver of this success should be identified through further investigation, to support replication in other Georgian LAGs.

Some positives are picked up below.

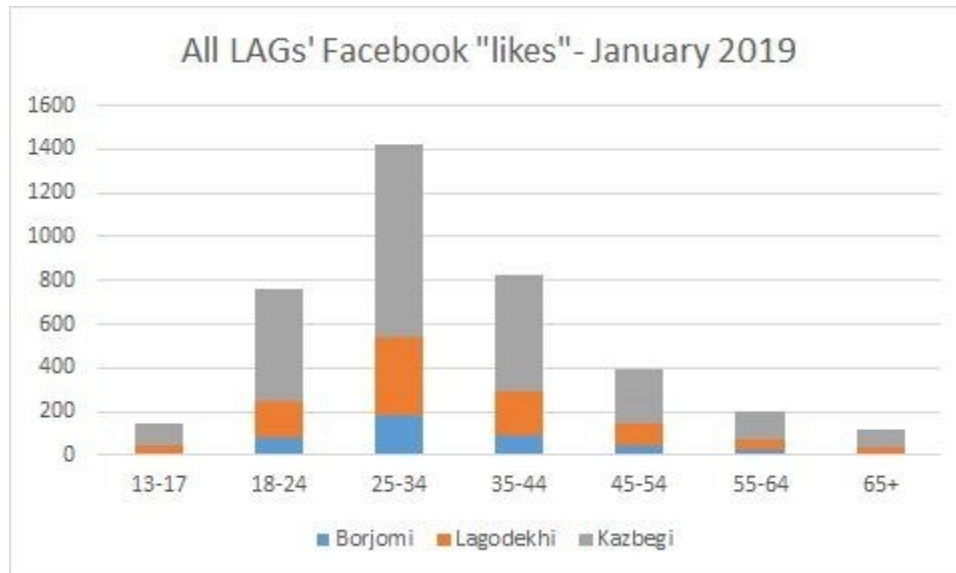


This chart is able to demonstrate that female representation has increased across the three LAGs. Importantly it also demonstrates a significant increase in youth membership across all three LAGs, demonstrating not just effective outreach, but that over a number of years the programme has demonstrated to young people that it offers them a real opportunity for engagement. This is explored further below, under 'Impact'.

**Recommendation: For LAGs with an 'open membership' model, a more relevant indicator would be to look at the composition of 'active members' rather than all members, for example those on committees, regular meeting attendees, etc**

## Social Media

All three LAGs have established Facebook pages. Firstly, Lagodekhi established a page in January 2017, followed by Kazbegi in November 2017, and finally Borjomi in January 2018.



As of the end of January 2019, the three pages combined had 3,857 “likes”. The age group 25-34 was the biggest segment in all three LAGs, and likewise 35-44 was the second biggest in all three LAGs. As of February 2019, the central ENPARD programme’s Facebook page, run by the dedicated communications and visibility team engaged by the EC, had 17,165 total likes.

For a rudimentary analysis of reach into the population, the three municipalities’ total population (83,932) as a percentage of the total “likes” is just under 4.6%. The ENPARD page as a percentage of the Georgian population is just over 4.6%, a favourable comparison for the LAGs to a professionally run communications programme.

### Professionalism of LAG members

In the indicator, “key LAG members” is defined as “those who are actively involved in decision making processes”:

- In Borjomi, the members of the evaluation committee and “very active” members (7x members)
- In Lagodekhi, board members and members of the evaluation committee (15x members)
- In Kazbegi, the board members (7x) and members of the evaluation committee (11x members)

Increased knowledge is assessed as an increase in score during pre- and post- tests when delivering training. However, these results offer a very narrow insight into any increase in the professionalism of the LAG members.

## Local Development Strategies

It was observed during the focus groups conducted with the Borjomi and Lagodekhi LAG members that there was a strong understanding of the principles of LEADER, both how it fits into broader rural development policy and the composite parts of LEADER. This was true across representatives of Government, civil society and business.

All LAGs have gone through a formal process of updating their Local Development Strategies which were then used to inform the sub-grant competitions. During questioning it was revealed that few fundamental changes were made, but having had the opportunity to see how the LDS shaped the sub-grant competitions during ENPARD Phase I, the changes were more considered and intentional.

Outreach to ethnic minorities was considered particularly effective, with translators being employed and specific efforts made. There was no indication this approach would be included as a permanent mechanism to be used for the future.

## Sub-grant competition

The act of developing criteria for and promoting the sub-grant competition, then working through the evaluation process, making necessary procurements and awarding the funds, appears to have been done effectively, fairly, and with a high focus on transparency. All three LAGs used different methods throughout with the exception of the procurement process, which was governed by a single set of minimum standards.

<b>LAG</b>	<b>Phase</b>	<b>Competition #</b>	<b>Deadline for Submissions</b>	<b>Successful Proposals</b>
Borjomi	ENPARD I	1	September 2016	28
	ENPARD 2	2	July 2018	25
Lagodekhi	ENPARD I	1	June 2016	8
	ENPARD I	2	Nov 2016	23
	ENPARD 2	1	March 2018	14
	ENPARD 2	2	Oct 2018	18
Kazbegi	ENPARD I	1	Sept 2016	27
	ENPARD I	2	May 2017	18

	ENPARD 1	3	July 2017	20
	ENPARD 2	1	May 2018	34
	ENPARD 2	2	Feb 2019	18
				<b>Total: 233</b>

According to the Mercy Corps Project Manager, the Borjomi LAG was able to disburse all its funding in only two competitions, as Borjomi's long history as a tourist hub meant there was great levels of business knowledge in the community, and so they were able to confidently award funding to larger proposals.

For Lagodekhi, the Project Manager noted that since their original proposal in Phase I it had been their intent to give away more, smaller grants. The theory behind this is that it is more inclusive, as smaller grants require less experience in writing proposals. Running multiple competitions gave rejected applicants the chance to learn from the (comprehensive) feedback provided by CARE and the LAG, and re-submit an improved proposal. Interviews with successful applicants confirmed the merit of this approach. It is unclear, however, how much more of an administrative/cost burden this model presents.

While the transparency of the process was never questioned, there were a few mentions in different community FGDs that the opportunities for big business to enter the competitions should be limited. Lagodekhi LAG advised that they had rejected some big businesses once they applied, but this should be advertised at the outset to increase confidence in the process, and avoid discouraging applicants.

This was accounted for by LAGs after initial rounds of funding by adjusting some criteria (not always officially), but this learning should be compiled and shared with all LAGs in Georgia to save them having to rediscover similar learnings.

**Recommendation: Compile learnings for LDS and competition criteria, especially as related to disability inclusion and inclusion of those without a business background (not for mandatory application but for early awareness)**

### The GALAG

The GALAG was officially registered August 1, 2018. ELARD, the fourth programme partner, are taking principle responsibility for developing the GALAG. Its purpose is to act as an umbrella organisation that can lobby on behalf of community-led local development in Georgia, and offer a platform for long-term, self-sustaining capacity development of LAGs in the country. One of the early difficulties cited for the GALAG was that LAGs in Georgia have a wide range of capacities-



most are significantly less mature than the three LAGs that form this programme. This impacts the level and type of support they require.

The original training plan has been adapted to circumstances: ELARD have opted for fewer trainings with more days devoted to each, to make them more collaborative and work side-by-side with lower-capacity LAGs.

There was initial confusion when it was discovered that the United Nations Development Programme (UNDP) was setting up the Georgian Rural Development Network (GRDN), prior to the start of the GALAG. The GRDN:

*will be a “platform“ for information provision and sharing on Rural Development Strategy, Action Plans, programmes, raising efficiency of stakeholder engagement, advocacy for mainstreaming priorities and solving local problems, improving the quality of implementation of rural development programmes, promoting cooperation and coordination among its members and beyond, identification of sources of funding, sharing local learning and practices, receiving advices, supporting innovations and etc. The GRDN will also be an effective tool/mechanism for communication to wider stakeholders.*

*- UNDP*

There had been concern there would be overlap, but this was assuaged by a meeting in December 2018. However, it suggests space for improvement in coordination between the two UN agencies (Food and Agriculture Organization (FAO) and UNDP) and civil society working on rural development.

### 6.3. Efficiency

There are two key questions to be answered regarding the efficiency of the programme. The principal question is the efficiency of the LEADER implementation, and how much added value it has offered as a Community-Led Local Development approach. The second, within this, is whether the model proposed by the EU for ENPARD Phase 2, with Mercy Corps, PIN and CARE forming a consortium lead by Mercy Corps, offered better value for money than the model of ENPARD 1, where each of the NGOs were independently funded by the EC.

Regarding the latter, the well-formed communication channels between the three implementers, the common understanding of their goals and approaches, and an overall environment of collegiality, suggest that any efficiency savings by having one organisation responsible for reporting and donor relations were not offset by difficulties in coordination. This reflects the close coordination seen across all LEADER implementers interviewed in Georgia.

All three LAGs took different approaches to their implementation of the sub-grant process, including the number of competitions run, and the final impact on the supports costs of these different approaches will be an interesting topic for the final evaluation of the programme.

Efficiency is improving naturally with time and with ongoing “tinkering” with the sub-grant competition process and the local development strategies being refined.

*This is the first time Borjomi citizens have felt so engaged. There was a significant improvement in the community outreach and the selection process in the 2<sup>nd</sup> round of grant funding.*

*- Borjomi LAG Deputy Chair*

The efficiency of the programme in this context is just looking at how economically resources are converted to tangible results. As described above, much of the value of the LEADER approach is in how those results were achieved, and the support given to people and place, not just the final sub-grant projects. The less tangible outcomes are explored in the “impact” section below.

The following three indicators in the programme logframe designed to measure this (against Outcome 2) will be assessed at the final evaluation:

- *Percentage of commercial sub-projects creating new jobs and self-employment opportunities*
- *Percentage of sub-projects establishing and extending services / resources in target communities*
- *Percentage of sub-projects that support diversified income sources within target communities*

## 6.4. Impact

Measuring the broader impact of a project is generally not a priority for a mid-term evaluation, however To do justice to the work being undertaken by all three NGOs, the impact of the program will be framed within three of the new indicators being proposed, being broadly:

- **Local rural economic improvements**
- **Integration**
  - **With municipal government**
  - **With national policy**
- **The social return and community cohesion**

Poverty reduction is not included as there is no evidence to examine, and little likelihood it has occurred at any measurable scale even if the baseline was taken at the beginning of Phase I.

### 6.4.1. Economic improvement

Of all the impact indicators, economic improvement is the most difficult to measure at the mid-point, as the full benefit has not yet been realised. By the end of 2018, roughly halfway through the project, 53 agreements had been signed with a total value of 2,897,942.61 GEL (approx 954,000 EUR). On top of the 1,789,052.01 GEL in grants provided by the EC, there was 1,108,890.60 GEL in beneficiary contributions, boosting the EC's investment by 62%.

*The first local project, a greenhouse, inspired young people to think about their own business ideas.*

*- 20 year old female, Heretiskari village, Lagodekhi*

Jobs created, directly and indirectly, will be calculated at the final evaluation of the project. In line with best practice, the number of households benefiting should also be calculated to more fully understand the wider economic impact of the investments.

**Recommendation: Calculate number of households benefiting from job creation to better describe economic impact.**

Responses from community focus groups noted that in addition to generic job creation, it is of note that jobs were being created in unexpected areas, for example in small villages away from the municipal center, where such jobs were not previously expected to exist.

Inga is a 24 year old woman living in Timotesubani, a village of Borjomi, married with a young child. She successfully applied for a small grant of 5,700 GEL to start a small business making enamel jewellery. The success of the business has enabled her to employ two similarly aged women from the small village, also with children.

*"There are no jobs here. Our husbands work on the land or can travel to bigger villages. I would never have thought I could find a job in my village that... fits with my needs." - Nino, 23 year old woman*

**External Funding as a multiplier of the EC investment**

Part of the impact of the programme is captured by the growing capacity of the LAGs, leading them to be in a position to proactively seek funding from third parties to support priorities identified with their LDS. The ability to do this relied on the LAGs securing registration as stand-alone entities, which all achieved.

Project	Donor	Description	Budget
Young Walkers Kazbegi	Orbeliani Foundation	Launching of young hikers club in Kazbegi to facilitate integration of children from different villages of Kazbegi and promote environmentally friendly hiking practice in Kazbegi	3100 GEL
Kazbegi Farmers Market	Austrian Development Agency	Promote local produce and connect producers with tourism market	9000 EUR
Youth Training for Employment	Georgian Ministry of Sports + Youth Affairs	Develop and deliver short courses on accountancy, entrepreneurship, tourism management and agro business	19,228 GEL
Exploring Historical Villages in Kazbegi	Solidarity Fund Polish Aid	Recording of 4x audio guides for tourists	25,720 GEL
Total			24,800 EUR (approx)

#### 6.4.2. Municipal Government

*This represents the biggest opportunity for cooperation between the Government and the community*

*- Local govt member, Borjomi*

Responses during data collection suggest strongly that some of the biggest impact has occurred at the level of the municipal government (known in Georgia as Local Self-Government); in terms of how those within municipal government view community engagement, the increased value they place on it, and their increased awareness of the tools and approaches available to them.

The LEADER model dictates that government officials must comprise less than 50% of the membership of a LAG, however they are under no obligation to field any representation.

With the project having run since 2015, it would be reasonable to expect a degree of fatigue if the project was not demonstrating value. The situation is that on all three LAGs, the respective Deputy Mayor is present and taking an active role. Other members are drawn from the Mayor's Office, i.e. bureaucrats, or from elected representatives (the Sakrebulo).

	Borjomi	Lagodekhi	Kazbegi
# Government LAG members	3	5	10

*We (the government) see the value. We don't just come to the meetings, we proactively look for opportunities to engage - Deputy Mayor, Borjomi.*

*I wanted to join (the LAG) because of its demonstrated success, and the varied membership. The merging of sectors brings transparency that we all value. In 3 or 5 years, I want the LAG to be stronger  
- Deputy Mayor, Lagodekhi*

Government representatives have carefully noted the positive reception of the approach and the eventual projects through the LEADER approach, and appear enthusiastic to work through the LAG platform where possible.

*This is the best platform to discuss the municipality's future prospects. The Government is looking for additional opportunities to support.  
- Self-Government representative, Lagodekhi*

Based on the updated needs assessment performed by Lagodekhi LAG for the local development strategy, Lagodekhi LAG advocated on the rehabilitation of local infrastructure to the Mayor's Office. This activity resulted in an MOU between CARE and Lagodekhi Municipality Mayor's Office being agreed, based on which the municipal government allocated 254,000 GEL in the local budget for 2019 as co-funding for implementing three infrastructure projects: rehabilitation of Social House for elderly people, rehabilitation of a kindergarten in the village of Leliani, and purchasing classical music instruments for music schools in the Lagodekhi municipality.

*We are more confident investing using the LAG's input (the Local Development Strategy)- we are more confident people will respect decisions based on this -  
Borjomi self-government representative*

Having seen the success of the LAG, municipal governments were keen to make their funds available to co-finance projects to ensure maximum return of their limited discretionary spending. Discussions with all three LAGs confirmed that despite the increasing levels of financial support from the municipal governments, there was no attempt to use this to increase their influence over the process. In fact, in Lagodekhi and Borjomi the government representatives were supportive of the amendments made to the competition criteria to prevent funds being spent on projects that were purely the responsibility of the municipal government (for example roadside drainage).

The mandate that came from a highly transparent process of presenting community priorities gives confidence to the municipal government in dealing with the central government, according to respondents.

*The Lag provides an important platform for interaction between Civil society, business and government, which in turn allows for dialogue and planning.*  
- Lagodekhi municipal government representative

The enthusiasm of municipal governments is not just limited to using the LAGs to “spend better”.

Through the work of the LAG gender thematic group, a gender council was established in the Lagodekhi municipal government in 2018, and the council developed a gender policy paper and action plan.

*Our mission is not to leave the LAG in a box.*  
- Lagodekhi municipal government representative

### 6.4.3. National Policy

*The LAG has been particularly good at treating people equally. People have said that hope the government sees the benefits of more deliberate engagement like this. - Andrush Iritsian, Armenian Borjomi LAG member*

There has not been significant impact at a national policy level. The LEADER model was referenced in the Georgian Rural Development Strategy 2017-2020.

The GALAG was established in August 2018, but is yet to reach its full capacity with regards to its advocacy role. Now that the number of LAGs has increased to eight, and soon to progress to twelve, this should begin to add weight to their advocacy.

In various fora it was mentioned that there was interest and demand from municipalities neighbouring the target areas, from both civil society organisations and within municipal governments.

**Recommendation: Attempts should be made to measure the citizens of neighbouring municipalities’ awareness of LEADER initiatives and demands (if any) for replication in their own communities**

If this is found to be correct with regards to municipal governments, then they should be encouraged to interact via the GALAG, learn more, be given a platform to lobby for the expansion

of the LEADER programme, and justify why there would be a positive return from LEADER being introduced within their community.

**Recommendation: Open GALAG membership as “observer” status to municipal governments with interest in introducing the LEADER model**

GALAG and the EC can interact with the relevant Ministries and Central Government, and LAGs have a close relationship with municipal government, there appears to be a gap when it comes to keeping Governors informed and educated at the Regional Level.

**Recommendation: GALAG to include Regional Government in target audience**

#### 6.4.4. Social Return

*The biggest achievement is a new sense of self-reliance  
- Roman, self-government member, Borjomi*

Social return, the “animation” element of CLLD, is difficult but not impossible to quantify. It is difficult though to draw many concrete conclusions on the impact to-date as quantitative data collection has not been carried out yet.

Examples of indicators from established LEADER programmes in EU member states include:

- *Improved social and human capital, expressed in increased levels of trust, the development of new skills and capacities, the establishment of new networks etc., making the community more resilient and adaptive to changes.*
- *Improved local governance through community and stakeholder involvement in decision making, the LAG’s role in multi-level governance and its ability to manage public-private funds*
- *Enhanced project results due to increased leverage, more sustainable projects, new project promoters and more innovative projects at local level.*

There has been some anecdotal evidence showing the growing capacity and improvement in the submissions to the grant competition from the beginning of Phase 1.

Respondents spoke of the growing engagement and understanding of the LEADER concept as more competitions were held. As projects from early competitions are implemented, they bring attention of what is on offer and how communities can benefit, and people feel more confident in the process and its fairness, and the range of types of projects available to propose.

Youth migration to urban areas is an issue common to all of rural Georgia. Further investigation in future evaluations is required to validate promising responses, such as a music teacher in Lagodekhi who believed the projects, and simply the prospect of being engaged in decisions affecting their communities, had reduced the push for young people to move to Tbilisi.

**Recommendation: Target young people in future evaluations to improve understanding of the impact of LEADER on push and pull factors of urban migration**

The following question was asked to community representatives during six different FGDs, and consistently drew responses along the lines of those listed below; again, these demonstrate the benefit the LEADER programme is having with regards to social cohesion and strengthening.

Has the participatory process of the LAG changed your expectations of how government should engage?
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*Our voices are heard*

*- 27 year old female, Borjomi, village on the intersection*

*It's been increasing engagement by the community with decisions made that affect us...*

*We know now how to approach the government*

*- 20 year old female, Heretiskari village in Lagodekhi*

*The Government has come closer to the population. They're talking to us not just before elections.*

*- 37 year old female music teacher, Heretiskari village in Lagodekhi*

*The Government Steps towards us, so we step towards them*

*- 40 year old male construction worker, Lelianivillage in Lagodekhi*

*The LAG is more engaged with the community than the government, but maybe it will inspire the government*

*- 33 year old man, Atskuri (?) village, Borjomi*

*We want to be more involved in government decision making now, but I don't know if it's changed how the government views it - 41 year old woman, Atskuri village, Borjomi*

*People look at LAGs with hope because there are links between words and actions -*

*First Lagodekhi community focus group on 17 Jan*



## 6.5. Sustainability

The sustainability of an independent LAG is not necessarily relevant in the context of the LEADER model. It is common across the EU countries where LEADER has been implemented for many decades for LAGs to appear, disappear, merge and alter between each new phase of funding.

The sustainability and impact of this programme should be considered in terms of:

- Changes in Knowledge, Attitudes and Practices with regards to
  - Working as a community
  - Community Input into decision making (from the perspective of both communities and government)
- Changes in expectations of government with regards to community engagement
- Demand developed outside target areas for the LEADER model ● Changes in policy at a Ministry level

This programme (Strengthening Rural Development Models in Georgia) and its predecessor (A New Approach for Rural Development in Georgia) were ostensibly pilots being funded by the European Commission. In addition, it is an opportunity for the Georgian Government to continue to pursue its policy of alignment with European Union policies, specifically in this case the Common Agricultural Policy's requirement for implementation of LEADER in member states

Discussions were held with people involved in rural development outside this programme regarding the EC's evolving approach to ENPARD's implementation.

*(regarding ENPARD's overall direction) "The EC's intentions are not clear, especially around working with civil society"*

*- Project Manager within an EC-funded rural development programme*

The above sentiment was echoed amongst a number of Country Directors and Georgian Government observers.

Discussions with UNDP revealed scepticism around the role of LEADER, and a preference for building capacity of the central government.

*The LEADER approach is centred around the local partnerships. No matter on whose initiative the creation process of the Local Action Group begins, the key role in building the real partnership is played by the leaders of the process, and their animators. The experience in the EU suggests that most animators come from civil society. There they work effectively on behalf of local communities and demonstrate competences in*

*cooperation with public institutions (mostly local authorities) and are able to encourage local entrepreneurs to join in the partnerships.<sup>2</sup>*

- *Instrument for pre-accession assistance for rural development*

If Georgia wants to progress along its pre-accession route, the Ministry for Agriculture and Rural Development will need to look to its eventual role as an IPARD Managing Authority, where its role “should focus on tasks that aim to facilitate the work of LAGs at local level, by providing the necessary implementation framework for LAGs and a supervisory system in order to monitor implementation at the local level.”

Some stakeholders suggested that centrally-managed regional grants programmes could fill the gap left by allowing the LEADER model to fade. This would be a backward step on the path to accession, and a missed opportunity to use a more effective platform that has already been established at great expense:

*The LEADER model has worked well in the past in promoting coherence and integration of rural policies. This successful model should be considered more carefully in the future... rather than intervening with the opposite logic of reducing former Leader groups to assist in delivering centrally defined and horizontal policies.<sup>3</sup>*

- *OECD Rural Policy Review 2008*

Currently, municipalities lack dedicated focal points for formal LAG interaction, instead relying on the municipal government representatives on the LAG. However, this does limit the interaction based on personalities, and reduces the development of an institutional relationship, which impacts on the sustainability. Even were there a dedicated focal point, many municipality employees change over at elections, with the changeover not restricted just to elected representatives.

Municipal government officials expressed a desire to be able to support the LAGs, however they do not have extensive discretionary funding. Clear examples should be provided for municipal governments on how they can support the LAGs beyond providing co-financing for projects. This may be in the form of providing meeting spaces, administration support, etc.

This would also bring Georgia closer to alignment with the EU Common Agricultural Policy requirements:

*...must ensure that the LAGs either select an administrative and financial lead actor able to administer public funds, and ensure the satisfactory operation of the partnership, or come together in a legally constituted common structure, the constitution of which*

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<sup>2</sup> [https://ec.europa.eu/agriculture/sites/agriculture/files/enlargement/assistance/documents/pathways-to-leader\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/enlargement/assistance/documents/pathways-to-leader_en.pdf)

<sup>3</sup> <http://www.oecd.org/governance/regional-policy/40115988.pdf>

*guarantees the satisfactory operation of the partnership and the ability to administer public funds.*

*- EU Legal Framework- LAG administrative capacity under IPARD*

**Recommendation: GALAG should develop examples for municipal governments on how they can support LAGs beyond direct financial contributions**