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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

No activities conducted during the reporting period.

Georgia

1. RESTORED ECONOMIC ACTIVITY AND GROWTH

TBILISI AGGLOMERATION DEVELOPMENT AGENCY (TADA)

In 2009, the Tbilisi municipality, together with bordering municipalities (Mtskheta, Rustavi and Gardabani), formed the Tbilisi Agglomeration Development Agency (TADA) with a view to addressing municipal and regional development issues.

Since regional economic development in general, and agglomeration in particular, are relatively new concepts in Georgia, TADA is having difficulty in fully defining its mandate, structure and necessary capacities. The TADA staff does not have clear understanding of how the agency should function, and how to establish and maintain coordination and cooperation among the cities within the agglomeration structure, let alone the development of a detailed and dynamic strategy that will be required for the institution to move forward with equally dynamic development activities.

In light of this, FORECAST provides technical assistance to TADA to: a) build capacity, develop the technical skills and knowledge of TADA and its key staff, and b) assist in the development of the Tbilisi Agglomeration Development Strategy.

Intervention I (Capacity Building of TADA; Study Tour to the Netherlands and France) – Completed.

Intervention II (Contribution to the Tbilisi Agglomeration Development Strategy) – In progress.

Following the study tour to the Netherlands and France, FORECAST contracted an international expert to work with TADA on the development of the Tbilisi Agglomeration Development Strategy, as well as to provide detailed recommendations on how to build TADA's capacity to undertake this strategy.

FORECAST, in cooperation with TADA management, selected Mr. Mats Andersson, an Agglomeration/Metropolitan Area Development expert, as a service provider for the program. Mr. Andersson started the activities on October 18, 2010. After a quick assessment of the Georgian reality, on October 25, the consultants held a presentation on the concept of “metropolitan” and compared Georgian regional metropolitans to the Tbilisi metropolitan. He also discussed the GoG strategy on regional development and the legislative environment of the country. The second field visit of Mr. Andersson took place on December 12-21, 2010. During this visit, the consultant held meetings with the representatives of four local governments (Mtskheta, Tbilisi, Rustavi and Gardabani), urban planners and economic development agency staff from the Tbilisi City Hall, the task team from the Ministry of Regional Development and Infrastructure, and MDF as well as few private sector representatives (members of American Chamber of Commerce). The consultant also met with the representatives of UNDP and World Bank (both having supported CDS activities in the region). In addition, Mr. Andersson attended the workshop on logistics in Tbilisi metropolitan

and prepared a concept note of a Prospective Logistics Center in Rustavi. An assessment report on consultant's second field visit was submitted to FORECAST on December 28, 2010.

The third and the last visit of Mr. Andersson is planned for March, 2011.

MINISTRY OF REGIONAL DEVELOPMENT AND INFRASTRUCTURE (MRDI)

The goal of the technical assistance at the Ministry of Regional Development and Infrastructure (MRDI) is to assist the Government of Georgia (GoG), and in particular MRDI, in developing and finalizing its State Strategy on Regional Development (SSRD) and the Action Plan (AP). The program commenced in April, 2010 and was initially planned to end at the beginning of November. However, later it was extended till January 15, 2011.

FORECAST contracted a team of local experts, consisting of the AP Content Manager and seven analysts for implementing key components of the project, including but not limited to the following tasks:

1. Organize field research/consultations in the regions with local and regional communities in order to research the diversity of needs, and reflect them in the action plan;
2. Contribute to articulation of the AP methodology, including prioritization and selection criteria for local and ministerial decision-making on infrastructure development projects;
3. Contribute to coordination meetings before the approval of the action plan and during the initial phases of its implementation;
4. Publication of the strategy and the action plan as well as their dissemination among the local and regional communities.

Later, following the intensive consultations with MRDI and the European Commission, USAID decided to revise the SoW of the local team, and remove the *prioritization and selection criteria for local and ministerial decision-making on infrastructure development projects* from their tasks.

The consultants completed works on SSRD in early summer of 2010 and on June 25 the strategy was presented to and adopted by the GoG. The narrative part of the draft Action Plan, including the introductory remarks and executive summary, brief description of crosscutting and priority issues, was developed in August.

However, in September, 2010 the local team requested FORECAST to extend the current project for an additional two-month period. The justification for the extension was that the development of the Action Plan of the SSRD is directly related to the process of elaboration of the document on Basic Data and Directions (BDD) for 2011-2014 and the 2011 State Budget Law. More precisely, the Action Plan should be in consistency with the BDD document as the latter represents the main framework plan for state development containing the information regarding the mid-term macro-economic and fiscal forecasting as well as the basic data on the development of central and sub-national governments. As for the central budget, it is expected to be one of the main sources for financing the activities/programs envisaged through the Action Plan.

As the process of elaboration of the above mentioned documents was foreseen to be prolonged till the third Friday of December [as stipulated by the Budgetary Code of Georgia], it was seen as reasonable to extend the period of submission of the finalized Action Plan till the mid-January, 2011. Within this timeframe, the Action Plan would be permanently updated and adjusted based on the intense collaboration with the spending units.

Of note is that during the reporting period, the team prepared a number of supplementary program documents and several project proposals under the Action Plan, which were communicated with key stakeholders to solicit both their feedback and broader engagement into the AP preparation process.

In November-December, 2010 in collaboration with CEGSTAR/MRDI, the team drafted a comprehensive manual on monitoring and evaluation of implementation of the SSRD 2010-2017. The finalized manual will be submitted to FORECAST in the nearest future together with other deliverables.

The final version of the Action Plan and the final report are expected by the end of January of 2011.

NATIONAL STATISTICS OFFICE OF GEORGIA (GEOSTAT)

The National Statistics Office of Georgia (GeoStat) is a legal entity of public law which launched its activities in 2010. The forerunner to GeoStat was the Department of Statistics under the Ministry of Economic Development of Georgia. GeoStat's mandate is to compile, process, analyze and publish a wide range of statistical information, and to disseminate official statistics in accordance with the Georgian legislation and international statistical standards.

The program components are structured in three tranches:

Tranche I – FORECAST provides GeoStat monitoring team with capacity building TA;

Tranche II – FORECAST equips the CPI team consisting of 19 fieldworkers with possible purchase of new software, as well as with ToT on usage of handheld computers;

Tranche III – Depending on the results of tranche II, FORECAST purchases handhelds for Agricultural Survey. In line with recommendations from GeoStat, 60 fieldworkers are to be equipped. However, the status of tranche III will be determined following implementation of the first two tranches, and will need additional USAID approval since the request is for the purchase of equipment only.

Tranche I and Tranche II combined: Following a job posting for an international expert in fieldwork and data validity monitoring, which did not yield a proper candidate, FORECAST identified a service provider in close consultation with GeoStat: Economic Development Initiatives (EDI) – a UK-based company highly rated by GeoStat with which GeoStat's top management had established business ties during an international conference in Africa, and which was deemed to be the most preferred TA provider by GeoStat considering its field-specific expertise and professionalism. On January 24, during their initial scoping visit, EDI will bring their model software SurveyBe which represents a perfect tool for the electronic CPI surveys that GeoStat requires. Purchase of SurveyBe software for an initial period of two years will be of the FORECAST intervention on GeoStat.

Before EDI's arrival, FORECAST expects delivery of the handheld computers for the GeoStat's CPI team. The equipment model was recommended by EDI to match the characteristics of their SurveyBe software, and was endorsed by FORECAST to meet USAID procurement regulations on origin. The equipment delivery order was placed with the selected vendor UGT under tranche II, and a batch of 25 units (19 plus spare ones) is expected to arrive by January 17 prior to the arrival of EDI and the commencement of the TA at GeoStat under tranche I. Once delivered to GeoStat, the SurveyBe software will be installed on the handhelds.

ADOPTION AND IMPLEMENTATION OF E-GOVERNMENT AT THE MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT (MOESD)

The overall goal of the program is to assist the MoESD in its adoption and implementation of E-Government by providing the Ministry with “specifications” leading to it.

Component I (Short Needs Assessment and ToR Development) – Completed.

For implementation of this intervention, FORECAST contracted a team comprising two local experts, Ms. Ekaterine Katamadze and Mr. Merab Labadze, through a competitive bidding process. The program covered the period starting on September 27 and ending on October 8, 2010, during which the local consultants conducted an initial assessment at the Ministry and drafted the Terms of Reference (TOR) for the next component of the program.

The final report and the ToR for the second component of the program were submitted to FORECAST on November 16, 2010. Both documents have been reviewed by and agreed with the senior staff of the MoESD, including the Deputy Minister, Mr. David Giorgadze.

Component II (Assessment and E-Government Development) – In progress.

The second component commenced on November 29, 2010. FORECAST contracted GEC Developments, a Georgian IT management consulting & development firm, through a non-competitive procurement procedure. Based on participation of Ms. Katamadze and Mr. Labadze in the first component of the program, GEC Developments proposed that they serve as leading E-Government/ICT infrastructure development experts for this intervention. In addition, GEC Developments sub-contracted two short-term international E-Government strategic development and implementation experts from the E-Governance Academy of Estonia, Mr. Ivar Tallo and Mr. Arvo Otto.

During the reporting period, the team of experts has been conducting a thorough assessment of the working processes within the Ministry, identifying how performance gaps turn into inefficiencies inside and outside the institution. The results of the assessment will be translated into an IT solution (E-Gov) which will lead to improvement in efficiency at the Ministry.

The intervention will be completed on February 15, 2011. The final report and other deliverables will be submitted to FORECAST no later than March 1, 2011.

2. ENERGY AND ENVIRONMENT (EE)

MINISTRY OF ENVIRONMENT PROTECTION AND NATURAL RESOURCES (HICD)

Intervention II (TA and Training in Project Management) – In order to strengthen the project management capacity of the Ministry of Environmental Protection and Natural Resources (MEPNR), FORECAST contracted an Australian-based organization, World Wide Project Management Services. The program commenced on November 29 with arrival of Mr. Jessie Ponce in Tbilisi. Although initially the program aimed to conduct TA and training activities in general project management skills, a need for revising the original SoW emerged, one by which the technical assistance became more specifically focused on project coordination, M&E and reporting; the new version of the SoW geared also towards preparing the ground for the establishment of a project management (PM) database at the Department of the Environmental Policy and International Affairs (DEPIA) of the MEPNR.

During his first visit, the consultant conducted consultations/interviews with the external (USAID, UNDP, GTZ, EU) and internal stakeholders in order to determine the data requirements of the intended users of the PM database. This activity provided Mr. Ponce with a better understanding of both the organizational structure and flow of communications between and among the various stakeholders and the Ministry.

On December 10, 2010 the consultant submitted to FORECAST an interim report summarizing his visit. The report included recommendations on the donor coordination meetings, results of the rapid assessment of information needs of data users, and the terms of reference (ToR) for designing and installing the PM database at the Ministry.

The second field visit of the consultant will take place after the development of PM database at the MEPNR, presumably in March, 2011.

Intervention III (IT Support for Project Management Database Development) – Under development.

Intervention IV (Assist MEPNR to Set-up HR Management and Professional Development Systems) – Technical assistance at the MEPNR aimed at building the capacity of its HR division and strengthening the existing HR management system. The intervention was implemented by SMART Consulting through November 1-December 16, 2010.

The assessment started by a document review during which the following documentation has been gathered and analyzed:

- The Georgian Law on Environment Protection;
- Regulation of the Ministry;
- Regulation of the Administrative Department (the HR division does not have a separate regulation and is under the Administrative Department);
- Regulation of the Legal Department;
- Internal regulations of the Ministry;
- Regulation of the competition-attestation commission of public employees of the Ministry;
- The rule of internship in the Ministry;
- The list of positions and salaries of structural sub-units of the Ministry.

This was followed by a standardized training covering the following topics:

- Job analysis and preparing job descriptions;
- Job evaluation;
- Recruitment, interviewing techniques, and selection;
- Occupational testing;
- Performance evaluation and management.

Although the original work plan anticipated development of five job descriptions, the consultants produced seven in order to cover essential duties and competencies at the Ministry. The consultants used a multi-method approach for that: questionnaire for job identification; visionary interview; and the behavioral card sort method.

On December 3, 2010, the workshop covering best-practice HR management, plus direct supervisors' role in insuring successful performance of employees [for the senior staff of the Ministry] was conducted. The workshop focused on the following topics:

- Most important directions of HR management division's activities;
- Main stages of contemporary HR management;
- Main functions of the HR management division;
- Role of direct supervisors in the process of job analysis;
- Purposes of job descriptions;
- Structure of job descriptions;
- Job evaluation as a tool for producing jobs classifier and positions' ranking system;
- Drawing-Up, coordination and approval of job descriptions;
- Analytical activities related to the HR management;
- The role of the direct supervisors in performance appraisal process;
- Methods of performance appraisal;
- Management by objectives (MBO);
- MBO questionnaire;
- Main stages of MBO;
- 360° appraisal;
- Competency based appraisal.

The final report and the HR policy manual together with all other deliverables were submitted to FORECAST on December 16, 2010.

Intervention ✓ (The United Nations Climate Change Conference) – Completed.

This year, the annual *United Nations Climate Change Conference* was held in Cancun, Mexico, from November 29 to December 10, 2010. Delegations from 194 Country-Parties attended the conference. The participation of the Georgian delegation directed by the Minister of Environment Protection and Natural Resources, Mr. George Khachidze, was supported by FORECAST.

One of the main objectives of the Georgian delegation was to participate in consultation meetings with other Parties, especially Eastern European Counterparts, as well as with representatives of the Multilateral Funds and other relevant organizations, on the possibilities of developing and implementing Low Emission Development Strategy (LEDS) in Georgia – which is among the top priorities of the country.

3. GOVERNMENT TRANSPARENCY, ACCOUNTABILITY AND RESPONSIVENESS TO THE PUBLIC

MUNICIPAL SERVICE PROVIDERS ASSOCIATION (MSPA) AND MUNICIPAL FINANCE OFFICERS ASSOCIATION (MFOA) (HICD)

The goal of the MSPA & MFOA HICD program is to improve the overall performance of the associations in meeting their short- and medium-term goals. The first phase of the program, assessment and the technical assistance, aimed to define management and programming gaps at MSPA and MFOA, to provide technical assistance to strategically plan for and address those gaps, and to recommend an intervention package to address priority performance shortcomings/gaps.

The activity was conducted in July 2009 by Ms. Elissa Myers and Mr. Richard Dorman, two international consultants with practical and theoretical experience in association strategic management. The team of international consultant was supported by the IQC Category I local partners, a consortium of three organizations: Partners Georgia, UNAG, and ARC.

The project team worked intensively with the MSPA and MFOA senior staff (the presidents, the executive directors, and the board members) as well as various international and local stakeholders (including GoG representatives) to thoroughly assess and develop the capacities of the associations to more effectively undertake activities in support of their goals and mission.

After receiving the final assessment report from the assessment team, FORECAST developed intervention packages for MSPA and MFOA including the following components:

Component I: TA at MSPA - Short Term Survival (completed);

Component II: Commodity Purchase for MFOA - Financial Software (completed);

Component III: TA at MSPA - Local Government Toolkit (in progress).

Component III: TA at MSPA - Local Government Toolkit – In progress.

The goal of the intervention is to assist MSPA in developing, packaging, and promoting programs and services that (a) support the real needs of cities/municipalities in Georgia, and (b) generate revenues that will allow MSPA to survive and continue into the future as an independently sustainable organization that fosters competent, citizen-based, effective good local government in Georgia.

In particular, FORECAST assists MSPA in developing a Local Government Toolkit that will contribute to the professional development of municipal leadership as well as responsible organizational units of local government administrations to support the adequate translation of community needs into the concrete services. This will provide MSPA with a solid product to be offered to local governments and will strengthen sustainability of the association.

The FORECAST category I local partner organization, the Center for Training and Consultancy (CTC), and its sub-contractor, the local IT company, Idea Design Group, Ltd. have been selected as service providers for this component of the program.

The intervention commenced in July, 2010 and was planned to finish by the end of January, 2011. However, at a later stage, CTC requested FORECAST to move the dates of completion from January to the end of February, 2011 as the absence of the MSPA leadership prevented CTC from conducting the interim focus group sessions with the representatives of the association. The shift of program dates will not influence the total cost of the intervention.

The following is a list of tasks that have already been accomplished or are still in progress of implementation:

1. Toolkit outline;
2. Municipal Council draft terms of references and scope of works;
3. “Gamgeoba” draft terms of references and job descriptions;
4. Consideration and approval of the drafts;
5. HR Management related draft procedures;
6. Consideration and approval of the HR draft procedures;
7. Consolidation of the comments and final design of the toolkit;
8. Training of trainers;
9. Testing of the toolkit in one of the selected municipalities;
10. Final update of the toolkit;
11. Developing, updating and testing HR software at the pilot municipalities;
12. Developing, updating, and testing the incoming/outgoing correspondence software at the pilot municipalities.

In addition, the sub-contractor company, the Idea Design Group (IDG), continues working on adapting the HR database and the DocReg software. Currently, both deliverables are ready for the test run. The presentation of the HR database and the DocReg software to the MSPA focus group will be held in January, 2011.

4. IMPROVED DELIVERY OF SOCIAL SERVICES

NATIONAL CENTER FOR EDUCATION QUALITY (NCEQ), DATABASE DEVELOPMENT, PHASE II

In March-May 2010, FORECAST supported the development of a systematic information collection, analysis, management and dissemination framework at the National Center for Education Quality (former NEAC). This intervention resulted in a fundamental modification of the interactive database and Registry System. However, in order to completely fulfill its core functions, it was mandatory to rollout the Registry System with full functionality in Georgian high education environment. To this effect, FORECAST contracted United Global Technologies (UGT) as a service provider for the intervention (November 1, 2010 – March, 2011), which started its activities with reviewing and aligning results of the previous intervention (so called phase I also conducted by UGT) to modified business processes and receiver's additional requirements. This was followed by the development of beta versions of most application modules.

The following is the list of completed modules:

- Institutions Registry Module - accounts records and documents about all educational institutions: schools, colleges, universities, etc.
- Students Registry Module - accounts records and other related information about university students;
- Student's Mobility Management Module - implements business processes and functions;
- Educational Classification's Registry Module - registers and manages structure of educational classification;
- Professors'/Trainers Registry Module - accounts records and other related information about professors or teachers working or assigned to some university;
- Grant's Module - implements functions and business processes to account grants for each student, execute charging and transferring;
- Modification of Data Migration Scripts - data migration scripts have been updated because of modifications of database delivered from phase I.

Currently, the team of experts from UGT continues developing a Student's Profile Management Module. This module will enable universities to register their educational subjects, programs, modules and curriculums; assign and track educational development of each student; and will provide NCEQ with an opportunity to get precise information about students' educational history from the system automatically.

Next planned activities are to complete Reporting Module and stabilize beta versions of developed modules.

NATIONAL PHYSICAL EDUCATION STRATEGY

The goal of the National Physical Education Strategy program was to support continued education sector reforms in Georgia by assisting the Government of Georgia (GoG) in developing a national strategy on physical education in schools.

In particular, the activity aimed to assist the group of local experts (in education, health and sports), led by the National Curriculum and Assessment Center (NCAC) of the Ministry of Education and Science of Georgia (MoES), selected by the GoG and sponsored by UNICEF, to develop the National Physical Education Strategy. The role of FORECAST was to support the process by contracting international consultants to assist the group of local experts in introducing western-style models of physical education in schools, developing a draft national strategy on physical fitness, and developing an action plan and set of recommendations for future interventions to support the activities of the GoG in this field.

The Youth Sport Trust (YST), the British organization experienced in developing and managing educational sporting programs, was selected as a service provider for the program.

The first visit took place on June 16-20, during which the YST international expert, Mr. Alan Bell, conducted series of meetings at the Parliament of Georgia, NCAC, Georgian Olympic Committee, as well as at the Children and Youth Sports Federation. At the same time, Mr. Bell provided assistance to the local experts in their work on the national strategy on physical education in the country.

The second visit of the YST consultants, Ms. Clare Stretch and Mr. Alan Bell, took place on August 2–6, 2010. Ms. Stretch held two meetings with the team of Georgian experts. During the meetings the first draft of the new Georgian sport curriculum was discussed and some suggestions concerning revisions and additions were made. The comments received from the international experts were incorporated into the revised draft. In addition, Ms. Stretch met with eight public school directors as well as other experts who have been involved in the project.

On August 5, 2010 both experts met with the Minister of Youth and Sport, Lado Vardzelashvili, and the authorities of the MoES. The consultants also held a presentation on the importance of children's sport development in Europe and discussed the criteria of evaluating the existing situation.

In September 2010 the NCAC submitted to Ms. Stretch the revised National Curriculum Plan for Sport Education at Schools for 2011-2016. The consultant's feedback was received and incorporated into the final draft. Meanwhile, the Consultative Board for Sport Development of Parliament of Georgia continued working on the Georgian model of the National Physical Education Strategy. An interim meeting, where the first draft of the national model was presented, took place on October 20, 2010.

The field visit of the third international consultant, Mr. Trevor Smith, covered the period of November 3-6, 2010. During his visit, Mr. Smith held consultations with the representatives of the Minister of Youth and Sport, the Ministry of Education and Science, the Director of the National Curriculum and Assessment Center, the Head of the Project and the Project Chief Sport Expert.

The presentation of the final version of the new National Strategy and the Action Plan on the development of children's sport education in Georgia took place on November 4, 2010. It was attended by the YST consultants, Mr. Smith. The document will be submitted for approval to the Georgian Government in the nearest future.

HEALTH INSURANCE MEDIATION SERVICE (HIMS)

The Health Insurance Mediation Service (HIMS) was established in 2008 through a joint initiative of the Georgian Insurance Association, the Ministry of Labor, Health and Social Affairs of Georgia and the USAID-funded CoReform Project. The mandate of HIMS is to:

- Conduct outreach activities to inform and educate the population and health care providers about the benefits included in the state-sponsored universal insurance program;
- Maintain a system for registration of claims and respond to inquiries from policy holders and other interested parties on health insurance-related issues;
- Prevent health insurance related disputes from occurring by actively engaging the parties to a potential dispute to address their differences;
- Resolve disputes between policy holders and health insurance companies through mediation services;
- Assist the health insurance industry and the Government of Georgia (GoG) to improve health services by identifying system bottlenecks and recommending ways to overcome them.

The program components include:

Intervention I – Establishing Effective Public Communication Strategy (completed);

Intervention II – Improving the Mediation Processes (in progress);

Intervention III – Establishing the Organization’s Quality Management System (QMS) (under development).

It has to be noted that HIMS went through major transformations this year, in particular:

- Pursuant to Order enacted on July 1, HIMS was transformed into a Legal Entity of Public Law under the Ministry of Health, but retained its name;
- HIMS now stands independent from the Georgian Insurance Association (formerly, it was a unit of the Georgian Insurance Association(GIA)); HIMS has a Supervisory Board composed of three members, which includes the representatives from the Ministry of Health, the National Bank and the Georgian Insurance Association;
- HIMS’s functions have expanded to accommodate handling of disputes between the medical clinics and the insurance companies in addition to its traditional dispute handling functions between the insurance holders and the insurance companies;
- According to the new law, HIMS only serves the state insurance holders, and does not settle disputes of other holders;
- HIMS and the Georgian Insurance Association have acquired complementary functions, and will continue to serve the needs of the same industry.

These transformations have affected the timeline of the interventions, and the dates for those had to be shifted to accommodate the emerging priorities for HIMS, considering the needs of the insurance industry as a whole.

Intervention I (Public Communication Strategy) – Completed.

The program commenced on June 14 and was carried out by the FORECAST Category I Local IQC partners: Partners-Georgia and ARC. This intervention was caught in the middle of the HIMS transformation process, and the local providers had to consult extensively with the Georgian Insurance Association and the HIMS management to tailor their work to new priorities [emerging out of these changes] for the HIMS communication strategy. ARC completed their research

exercise on August 27 and presented their findings to both GIA and HIMS representatives. The findings of ARC were used as the major building block for the communication strategy developed by Partners-Georgia.

A strategic planning workshop to develop the communication strategy was held at HIMS on October 12, 2010 in which both GIA and HIMS representatives participated. The workshop was facilitated by Partners-Georgia and eventuated in the formulation of the communications vision, mission and the goals. On November 12 Partners-Georgia sent FORECAST the final communication strategies and action plans. Partners-Georgia developed two strategies that are mutually complementary – one for HIMS and one for GIA. Both strategies are for the period covering 2010-2013. Since those two entities represent a single insurance industry, both strategic plans comprehensively cover ongoing communication practices, recommendations and actions for these entities represented by the single insurance umbrella. The communication strategies with action plans were translated into English and submitted to FORECAST on November 29, 2010.

Intervention II (Improving the Mediation Processes) – In progress

Following the Berlin study tour (June 20-26, 2010), the Chairman of the Georgian Insurance Association advised FORECAST that the German expert, Dr. Helmut Muller from the Ombudsman's Office, was unable to visit GIA and HIMS due to his health problems. Instead, a German expert, Mr. Volker Henke, was proposed for the visit as a potential replacement for Dr. Muller. The GIA Chairman provided FORECAST with a written justification for the replacement, plus a detailed program and agenda to seek the Mission's approval of a study visit which aimed to improve the mediation processes as described in the initial IRF for HIMS.

Mr. Volker Henke, the Head of the Foreign Affairs and Bilateral Cooperation Department of the German Insurance Association, visited the Georgian Insurance Association, HIMS and the Ministry of Labor, Health and Social Affairs in the period of November 30-December 4, 2010. He met with the representatives of these institutions and delivered presentations on customer-focus in the mediation processes in place at the German Insurance Association and Ombudsman's Office.

As for the second study tour to Berlin, FORECAST will discuss with USAID the feasibility and relevance of it, considering new realities at HIMS and GIA, and the upcoming phase-out of the project.

Intervention III (Organization's Quality Management System – QMS)

FORECAST will discuss with USAID the feasibility and relevance of this intervention considering new realities at HIMS and GIA, and the upcoming phase-out of the project.

MOES INFRASTRUCTURE DEVELOPMENT AGENCY (ESIDA)

Intervention IV (Data Collection/Analysis System Development) – in progress.

Delta Systems, the company hired to implement this intervention, commenced its activities on November 1, 2010. The intervention will end on April 1, 2011. In addition, FORECAST contracted an independent third party monitor to keep track of the intervention implementation process by Delta Systems, attending meetings between Delta and ESIDA during the requirements-definition stage, and assuring quality control throughout the software development and HR training stages. The requirements-definition phase has been completed, and the Technical Architecture as well as System Landscape were reviewed and agreed between Delta Systems and ESIDA.

On December 30, 2010 Delta Systems delivered a presentation of the system prototype to ESIDA. Present were the ESIDA IT Manager, representatives of the ESIDA Construction Department and FORECAST. The participants provided feedback of the technical nature of the deliverable, which will be incorporated into the system. The second round of the prototype presentation will be delivered to the ESIDA Director and the monitoring officer contracted by FORECAST after January 15, following return of the ESIDA Director to Tbilisi.

THE SERVICE AGENCY FOR PEOPLE WITH DISABILITIES, ELDERLY AND CHILDREN DEPRIVED OF PARENTAL CARE (SERVICE AGENCY) (HICD)

The Service Agency for People with Disabilities, Elderly and Children Deprived of Parental Care (hereon Service Agency) is a legal entity of public law mandated to carry out (centralized) stewardship and governance over the country's social service institutions for child care, disabled and elderly. Currently, the Service Agency provides managerial, administrative, procurement and financial services to the 28 care institutions located throughout the country. However, as a newly created institution, the Service Agency suffers from institutional shortcomings at all levels. In order to identify performance gaps at the agency and define their root causes, FORECAST decided to conduct a comprehensive performance assessment of the institution. This intervention sits within the HICD and M&E Capacity Development Program for Category I Local Partners. To that effect, FORECAST contracted a team comprised of three experts from IQC Category I local partner organizations (CTC, Partners Georgia and UNAG) and a local field of activity expert. The program commenced in September and the assessment ended in November, 2010. The assessment of the Service Agency was carried out under the coaching and guidance of the Performance Design International (PDI) expert, Mr. Klaus Wittkuhn.

The local consultants started their activities with an assessment of the external environment of the Service Agency. The activities conducted included: collection and analysis of the relevant documentation, interviews and meetings with the peripheral stakeholders (representative of international organizations and donors, the Ministry of Labor, Health and Social Affairs of Georgia), structural review, review of regulatory framework, development of the relationship map, etc. During this phase, the core deliverables of the Service Agency were identified, possible gaps analyzed and a first draft of key performance indicators (KPIs) elaborated. All the preliminary findings of the assessment were discussed with the PDI expert, Mr. Klaus Wittkuhn, and his feedback/recommendations were taken into consideration.

For the second phase of the performance assessment, in-depth analyses of core internal organizational processes were carried out. Based on gathered information, recommendations drafted. Mr. Wittkuhn reviewed and commented on the draft report; the final report with findings and recommendations was submitted to FORECAST and USAID on December 23, 2010. In addition, the local consultants incorporated their findings and recommendations into a Performance Monitoring Framework (PMF), which will be reviewed and improved during a workshop with Mr. Wittkuhn and Ms. Ann Braun (M&E expert) in mid-January, 2011.

Upon completion of the workshop the local consultants will make a presentation to USAID on their findings and recommendations for future interventions.

GEORGIAN HOSPITAL ASSOCIATION (HICD)

The Georgian Hospital Association (GHA) is a recently established association (June 2010) whose founding members are six private and publicly owned hospitals in Tbilisi, all considered among the industry leaders in Georgia. These hospitals have approximately 1,500 total bed capacity, which is

roughly 25% of total hospital beds in the country. Targeted membership, however, is to include a larger number of both state-owned and private hospitals. The overarching mission of the GHA is to strengthen the health-care system in Georgia by assisting member hospitals with improving their business practices in various areas of operations, such as health-care quality standards, human resource management, costing, relationship management with insurance firms, and bulk procurement of supplies. The mission of the GHA fits with the USAID/Georgia strategy in the health and social development sector, which aims to help improve the health status of the citizens.

The program that FORECAST started at the GHA is a full-HICD program that aims to produce a strong organizational development strategy and a road map by which to implement it (*rather than a performance assessment which would be suited to an established institution with a track record of a past performance*). Similarly to the intervention targeting the Service Agency, this intervention on GHA sits within the HICD and M&E Capacity Development Program for Category I Local Partners. It is run by a team led by the representatives of three IQC Category I local partner organizations (CTC, Partners Georgia and UNAG), an HICD expert, Mr. Klaus Wittkuhn, plus international Field of Activity (FoA) experts in hospital associations from World Services of La Crosse Wisconsin.

This quarter, the local service providers continued to collect findings from member and non-member hospitals from Tbilisi and the regions. They visited hospitals in Gardabani and met with the Gori hospital management. The service providers compiled a strategic matrix based on the GHA work plan and developed a set of GHA core deliverables in line with their mandate and the expectations of current and potential members. All assessment materials were sent to experts from World Services of La Crosse for their review.

The two FoA experts, Ms. Sandra McCormick and Ms. Maureen Jameson, arrived in Tbilisi on October 9, and conducted a series of planning sessions with the local service providers to review the preliminary findings from the external assessment of the current and potential members, and to identify/clarify the members' and non-members' needs and expectations for producing a sustainable strategic plan and a road map. As part of their working schedule, they also met with the GHA's new Executive Director and the HSSP's Chief of Party. On October 19, 2010 a strategic planning workshop was facilitated with the GHA's board members, Chairman and the Executive Director, where the GHA's strategic directions, mission and goals were delineated. A draft report with recommendations, PMF and an intervention timetable was developed by the local service providers and the international field of activity experts and were sent to the HICD expert and FORECAST on November 15. The final report incorporating all feedback from the international experts and the HICD expert was submitted to USAID on December 28, 2010. Feedback was expected before a formal presentation to USAID in mid-January, 2011.

SOCIAL RESEARCH AND DIALOGUE PROGRAM

The goal of the program was to spark debate and dialogue on the issue of social capital in Georgia among major societal stakeholders (local or foreign), so that solutions are put forth to tackle the issue, and so that the international donor community as well as GoG at large turn those solutions into tangible initiatives for the benefit of the Georgian citizenry.

Intervention I (Technical Assistance) and Intervention II (Conference)

The Caucasus Research Resource Center (CRRC) was selected as the service provider for the TA component of the program and commenced the activities on November 4, 2010.

The aim of the assessment was to provide the USAID Mission and its designated implementing partners with information necessary to design, refine and implement pilot-projects relevant to the Georgian social capital context and cognizant of past and current solutions (to gaps in social capital) implemented by international donor agencies or national governments in ex-socialist or ex-soviet transitional societies. The CRRC conducted a literature review of the field of social capital and then qualitative research among relevant segments of the population via in-dept interviews. It also conducted focus groups within specific sectors:

- Agricultural associations;
- Condominium associations;
- Parent-teacher associations;
- Partnership among local communities, regional media and local governments;
- Stakeholders sharing the management of natural resources;
- Various health-related societies and support groups.

The CRRC submitted the draft report on social capital in Georgia on December 8, 2010. The final version of this report was forwarded to the conference participants on December 12, 2010. The report consisted of two sections: the first provided a background on social capital based on a review of existing research, and the second part highlighted four specific challenges that must be addressed in order to mobilize social capital in Georgia.

The conference on social capital took place on December 14, 2010 at the Courtyard Marriott Hotel. Mr. Hans Gutbrod, Regional Director of CRRC, presented findings of the CRRC research.

During the conference participants were divided into seven breakout/discussion groups upon their choice. The group facilitators were provided by the CRRC. After the discussion, the groups presented their findings to the audience. Groups focused on the same six sectors as listed above.

Feedback and recommendations received at the conference will be integrated into the final report to be submitted to FORECAST by January 17, 2011.

5. PROGRAM AND PROJECT SUPPORT (PPS)

MINISTRY OF REFUGEES AND ACCOMMODATION (MRA) – TA

Intervention IV (MRA Finance Department TA/Training) — Completed.

This intervention consisted of two components: *TA to the MRA Finance Department* and *the GIPA Training on Internal Audit for Public Servants*.

Component I (TA to the MRA Finance Department) – Completed.

Component II (GIPA Training on Internal Audit for Public Servants) – Completed.

FORECAST supported the participation of the key MRA finance staff and senior management in the training program proposed by the Georgian Institute of Public Affairs (GIPA): Internal Audit for Public Servants. The program is consisted of three modules and aimed to strengthen the financial management and reporting capabilities of the MRA to deliver high-quality financial services to its departments, and internal and external stakeholders.

The first module, *Public Law of Georgia and Managerial Accountability within the Framework of the Internal State Audit, and State Financial System of Georgia and Budgeting*, covered the period of April 17-June 25, 2010.

This module focused on the foundations and concepts of the internal state audit vis-à-vis domestic public law system and public sector management with comparative analysis of the UK, the Baltic States and the Netherlands, as well as the detailed overview of the Georgian model. The module incorporated legislative and procedural aspects that underlie the finance system and the budgeting processes. The substantive part was structured around the discussions on active domestic and international legislation, focusing on corresponding laws, international treaties and covenants in the field, as well as the overall domestic system of finances, budgeting and appropriations, including the 2009 Internal Control and Audit Strategic Plan.

The participants got acquainted with the standards, methodologies and processes that are related to the state-of-the-art international and domestic audit and budgetary practices, including an overview of the key sectoral institutions operating in Georgia (National Internal Audit Center, Chamber of Control and audit service agencies), state finance system, budgeting levels and procedures, and the managerial accountability and reporting requirements.

The second module, *Accountancy and Financial Reporting for Budget Organizations and Internal Audit in the Public Sector*, commenced on June 28 and ended on August 6, 2010.

This module set forth the accounting and reporting methodologies for budgetary institutions, budget classifications pursuant to the International Monetary Fund (IMF) guidelines, compatibility with the guidelines, as well as inclusion of the treasury service principles into the accounting/reporting methodologies. The module focused on the detailed accounting procedures for the budgetary institutions, covering revenue and deposit recordings, classification and breakdown of expenses, assets and liabilities, owner's equity, corresponding transactions, depreciation, inventory.

Apart from that, the module covered the payment and funding practices that relate to the state treasury service organizations, and extended into the comprehensive review of the state budget appropriations, budget administration via cash accrual basis, accounting reporting forms, balance sheets, overall transaction effectiveness and efficiency, and streamlining audit activities with the state authority requirements.

The third and the last module, *Taxation and State Procurement*, commenced on September 20 and ended on November 11, 2010.

This module set forth the Georgian tax system and tax authorities, tax reporting and control, liabilities, delinquent payment restructuring, tax categories (income, customs and property taxes, VAT), concept of state procurement and regulatory legislation, procurement planning and implementation, bidding, price quotations, negotiations, grievance handling procedures, procurement reporting, documentation and the overall procurement practices.

The following table illustrates marks that the participants received for the second and the third modules.

N	Name	Module 2		Module 3	
		Accounting	Internal Audit	Public Purchases	Tax
1	Tamar Martiashvili, First Deputy Minister	-	-	-	-
2	Valeri Kopaleishvili, Head of Administrative Department	80	-	-	-
3	Koba Khubunaia, Head of Finance Department	93	88	92	85
4	Tamar Karchava, Financial Manager	91	-	n/a	n/a
5	Nino Kobaidze, Chief Specialist, Finance Department	85	-	n/a	n/a
6	Davit Loladze, Deputy Head of State Procurement Division, Finance Department	n/a	n/a	92	84

The successful participants were Koba Khubunaia and Davit Loladze who received full certificates. Tamar Martiashvili did not attend lectures and accordingly has not received the certificate. Nino Kobaidze, Tamar Karchava and Valeri Kopaleishvili received the certificates of attendance/completion of one course.

For more information on this program, please see *Challenges and Constraints* section below.

Follow-up Evaluation of FORECAST Assistance to the MRA – Completed.

Follow-up evaluation of FORECAST assistance to the MRA brought closure to the project. It looked at the degree to which past technical assistance interventions have been embedded at MRA (i.e., usage of solutions provided), and ways by which impact can be carried further through follow-on technical assistance currently provided by the Danish Refugee Council (DRC) to MRA.

FORECAST contracted the services of Mr. Guy Hovey through a non-competitive procedure. Mr. Hovey conducted the first phase of the TA at the MRA from February through April 2009, the second phase through September 2009, and the third phase from January through July, 2010. Thus, he had previous experience with the target organization as well as a unique knowledge and insights into it, an established professional relationship with the MRA management and staff and with external partners.

During his visit (October 20-November 3, 2010) the consultant met with key MRA officials, both in the management and support levels, key stakeholders such as the DRC, UNHCR, UNDP and others and also IDPs themselves. Interviews were undertaken to ascertain the information required to complete the M&E matrix and ascertain the embedding level (and hence the sustainability) of the interventions.

According to the consultant, many lessons provided under the MRA program can be seen to manifest themselves in the daily workings of the Ministry. For example, the ‘on message’ media strategy now employed by the Ministry is in stark contrast to media announcements prior to the program. In addition, some aspects such as the HR TA and strategy have received praise and recognition from central Government for their effectiveness and modernity. There is no doubt that the cooperative partnership approach between donors, implementers and the Ministry was crucial to the success of the program. Besides, the implementation of the FORECAST recommendations by DRC not only ensures the continuing development and sustainability of the TA but also points the way to a new model of inter donor and agency partnership.

The consultant submitted the final report on November 26, 2010.

STATE MINISTRY FOR REINTEGRATION (SMR)

Intervention II (SMR Strategy Development) – In progress.

During the reporting period, the consultant, Mr. Jonathan Kulick, revised and worked on the modalities for engagement that were adopted by the GoG on October 6, 2010. He also held several meetings with the representatives of international and Georgian NGOs regarding their concerns about the modalities.

In addition, the consultant held meetings with the EU and UN country directors regarding the Action Plan implementation as well as worked with the MFA on drafting the EU-Georgia Association Agreement. He also participated in a roundtable discussion on security in the Administrative Boundary Lines (ABL)-Adjacent areas, and prepared an analysis of a survey report on the issue.

In November, 2010 Eka Tkeshelashvili, a former Secretary of National Security Council, was appointed as the State Minister for Reintegration replacing Temur Yakobashvili, who was moved to the position of a Georgia’s Ambassador to the USA. Since then, Mr. Kulick has been working on a transition to maintain continuity and keep the new team up to speed. Of note is that together with the new Minister and the SMR staff the consultant worked on the SMR restructuring plan that included but was not limited to identifying institutional resources and staffing needs for the Ministry.

In addition, Mr. Kulick worked with a new website developer on testing a beta version of a new SMR website. He also prepared a brief assessment of all the WikiLeaks cables that concerned Georgia, and advised on an appropriate GoG statement.

At the end of January, Mr. Jonathan Kulick held meetings with the new staff of the Ministry (there has been a substantial turnover) to discuss training needs. As there are more changes to come, the trainings have been postponed until the Ministry is more settled.

IDP SUMMER SCHOOL (SCHOLARSHIP AT THE AMERICAN ACADEMY II)

The goal of the program is to support the Tserovani, Khurvaleti and Shavshvebi IDP schools to provide a quality education to students. The program consists of two components: *Summer School for IDP Students and Teachers*, and *Teachers’ In-service Training*.

Component I (Summer School for IDP Students and Teachers) – Completed.

Component II (Teachers’ In-service Training) – In progress.

FORECAST funded the participation of Tserovani IDP school teachers in in-service training program conducted by the Guivy Zaldastanishvili American Academy in Tbilisi (GZAAT). The first round of training sessions took place in October-November, 2010 (36 teachers trained), while the second round will be held in February-March, 2011 (14 teachers to be trained). The training program was designed with an aim to improve the instruction skills of IDP teachers through introducing them to a modern classroom setting and advanced teaching methodologies.

The first round of sessions commenced on November 18 and ended on December 16, 2010. Initially, in-service training was planned to fall into four courses: 1) School-based Models of Professional Collaboration and Support; 2) Interactive Teaching Methods and Strategies; 3) the Basics of Information Literacy; and 4) English Teaching Methods. However, the last course has been cancelled because of the lack of interest.

During the first course, *School-based Models of Professional Collaboration and Support*, the school administrators and teachers learned how to design learning goals for students, develop strategies to move students toward these goals and collect evidence on how these strategies work out. The second course, *Interactive Teaching Methods and Strategies*, covered the main principles of modern teaching models of student oriented teaching. The course itself was highly interactive. Attendants received general information and materials about teaching strategies and techniques as well as modes of assessment. As for the third course, *Basics of Information Literacy*, of note is that the participants, except for the informatics teachers, had zero or next to zero knowledge in the topics covered (information literacy, computer basics, internet basics), yet by the end of the training they felt motivated to practice and learn more.

In total, 36 teachers from the settlement schools completed the training and receiving certificates. The final round of training sessions is scheduled for February – March, 2011.

GEORGIA RED CROSS SOCIETY (GRCS), DISASTER RISK REDUCTION, RESPONSE AND MANAGEMENT

Due to its experience and active involvement in emergency response activities the Georgia Red Cross Society (GRCS) has been assigned specific tasks in the State Emergency Response Plan. In accordance with the Presidential Decree #415 adopted on August 26, 2008 the GRCS is charged to provide its support to the respective State Institutions in performing rescue services, first aid activities and provision of food and water to affected, thus obtaining in reality its auxiliary role to the state authorities.

However, currently the GRCS suffers from a lack of capacity in a number of critical areas. These capacity gaps impede the GRCS's effectiveness in meeting its core responsibilities and its ability to respond timely, quickly and effectively to the natural hazards and man-made disasters. To fill the gaps and to strengthening the capacity of the GRCS FORECAST supports it in a number of areas:

Intervention I – Coordination Meetings;

Intervention II – Improving Financial Sustainability of the GRCS; Training in Fundraising;

Intervention III – Purchasing Finance Software and Equipment; Training for the GRCS Finance Staff;

Intervention IV – Strengthening the Capacity of the Finance Department of the GRCS.

Intervention I (Coordination Meetings) – In progress.

The tasks assigned to the GRCS in the State Emergency Response Plan include the NGO/stakeholder coordination function. To fulfill its mandate and responsibilities the GRCS

holds coordination meetings with the key stakeholders involved in disaster management bi-monthly, on a regular basis. These meetings serve as a co-ordination mechanism to enhance collaboration among stakeholders and to promote sustainable disaster risk reduction activities. During the coordination meetings the information is shared with all key actors to ensure that humanitarian gaps and duplication of efforts are identified in advance and reiteration of activities avoided/prevented.

The first coordination meeting took place on August 5, 2010. The meeting was attended by the representatives of all key actors involved in disaster management. During the meeting the OASIS software was presented and the benefits that will be brought by the use of this software explained to the attendees. Discussion was held regarding the need of coordination of all activities and the decision was made that the GRCS will sign memorandums with all the stakeholders responsible for the disaster risk reduction and the first line response during the emergencies.

On October 12, 2010 the second coordination meeting was held. It was attended by the representatives of the international organizations and the GoG. During the meeting the GRCS updated the participants on the activities conducted by them in Racha-Lechkhumi and Qvemo Svaneti regions. The GRCS also informed the attendees that it had signed memorandum with iMMAP and that soon the trainings would begin on OASIS software for the GRCS representatives.

Presentations were also held by OXFAM, EMD, Salvation Army, UNICEF, and iMMAP. Although the presentation of World Vision was not on the agenda, the World Vision representative volunteered to present on the activities and the future plans of his organization.

The third coordination meeting was conducted on December 17, 2010. The aim of the meeting was to raise awareness of the participants on the role, capacity and response of non-state organizations during disasters. The Emergency Management Department (EMD) of the Ministry of Internal Affairs of Georgia introduced simulation exercise to the participants. According to the offered scenario, participants had to identify their capacities, existing resources (material-technical and human) and roles during the emergency situation. As the GRCS is responsible for coordinating activities between the GoG and non-state actors during disasters, the EMD representative requested the GRCS to make one presentation on behalf of other organizations. This exercise was very useful as it not only demonstrated how international and local NGOs act during disasters but also identified gaps (including the gaps in coordination) that these NGOs face. The exercise showed that only the GRCS and Salvation Army have the stock in country and can provide support immediately while others can provide support within 24 hours.

Intervention III (Purchasing Finance Software and Equipment; Training for the GRCS Finance Staff)
– In progress.

To improve the operation of the Finance Department of the GRCS and to prepare ground for the fourth component of the program, FORECAST purchased computer hardware from **Orient Logic** in October–November, 2010 and contracted **Georgian Software Systems (GSS)** as a vendor for the procurement of finance software. The finance software was installed at the GRCS in November–December after the computer hardware had been delivered and assembled. This was followed by the training sessions on how to use finance software for the GRCS financial staff in Tbilisi. Trainings in the regions will start from next year.

HIGHER-LEVEL HICD AND M&E CAPACITY BUILDING COACHING & TRAINING FOR FORECAST CATEGORY I LOCAL PARTNERS

FORECAST is mandated by the Task Order to build capacities of selected Georgian organizations to provide Human and Institutional Capacity Development (HICD) services independently. In specific: the task is to equip Category I Local Partners with appropriate methodological tools and knowledge to enable them to conduct complex organizational development programming, that involves planning, implementation, monitoring and evaluations of HICD interventions undertaken within FORECAST.

To this effect, in August 2011 FORECAST launched a two-component program – HICD and M&E Capacity Building for Category I Local Providers. The goals of the program are:

- At the end of their HICD apprenticeship, Category I Local Partners are able to undertake HICD projects on behalf of FORECAST independently and without support of foreign experts/providers. As such, they constitute a readily usable resource for future USAID Georgia project with an HICD component in it. This ensures Mission legacy in the field of HICD in Georgia;
- At the end of their M&E apprenticeship, Category I Local Partners are able to design and administer an M&E system on behalf of FORECAST, and under other conditions, be it for FORECAST II or any other client opting to outsource their M&E function. This will also equip those providers with an additional service within their portfolio, one of high value to potential clients.

HICD and M&E components run in parallel, although for different lengths of time, under the coaching of different foreign experts, and along different components. For the HICD component FORECAST contracted Performance Design International (PDI) and its leading consultant, Klaus Wittkuhn, while for the M&E component of the program, FORECAST employed Ms. Ann Braun, Independent Consultant for Development Evaluation/M&E Support.

To date, the following activities have been implemented within the program:

Intervention I (HICD Foreign Expert) – In progress.

This quarter, the HICD expert, Mr. Klaus Wittkuhn, provided both distance and in-country coaching to Category I Local Providers assigned to the Service Agency (SA) and the Georgian Hospital Association (GHA) interventions. He held a second one-week workshop from November 1 to November 5, 2010. The purpose of the workshop was to check progress on project plans, discuss results of external and internal environment assessment completed by SA and GHA teams.

Mr. Wittkuhn continued coaching the SA and GHA teams as they proceeded to develop the reports for their respective target institutions. This coaching took them along a steep learning loop, resulted in the production of draft reports and eventually final reports in late December. Mr. Wittkuhn will conduct a third 1-week from January 24 through January 28, 2011, with the GHA and SA teams, to prepare them for presentations to USAID, discuss reviews of final reports, and work on Intervention Time Tables and Performance Management Frameworks with the M&E Expert, Ms. Ann Braun.

Intervention II (M&E Foreign Expert) – In progress.

This quarter, the M&E expert, Ms. Ann Braun undertook the following activities:

- ARC coaching (monitoring visits: development of basic plan for visits with simulation based on a hypothetical PO case);
- Development of draft performance framework for M&ESP;

- Initiation of M&E draft database;
- Development of concise presentation/summary of M&E;
- Briefing of World Learning staff on development of M&E system and implications of integration with HICD;
- Visits to MRA to gather information on progress related embedding of interventions carried out there;
- Meeting with the director of the Georgian Evaluation Association (GEA) to learn about history and current situation and status of GEA, and aspirations for future;
- Delivery of an intermediate report.

In November, Ms. Ann Braun administered an exam to assess M&ESP progress since the previous baseline knowledge assessment. The next visit of Ms. Braun is planned for late January, 2011. She will participate in the workshop organized by the PDI expert, work on the Performance Management Frameworks produced by the SA and GHA teams, and then develop the M&E system database.

GEORGIA-SOUTH OSSETIAN CONFLICT BUILDING

Since the August 2008 war, there has been very limited communication among the authorities across Georgian-South Ossetian Administrative Boundary Line. A first step towards conflict resolution was made in December, 2008 when the representatives of both sides met for the first time after the conflict in a series of workshops known as the Point of View process at George Mason University (GMU).

The Point of View series of dialogues aim to allow/support a necessary channel of informal communication and relationship building among influential individuals now living in Tbilisi, Gori area, and Tskhinvali. Today, this is the best ways to keep open communication between civil society and authorities on both sides. At the behest of USAID, FORECAST will support three Point of View Dialogue/Workshops in Turkey.

This program is co-funded by the United States Institute of Peace (USIP) and the Institute for Conflict Analysis and Resolution at George Mason University (ICAR-GMU).

The first of three Point of View Dialogue/Workshops between the representatives of Georgian and South Ossetian civil society was held in Istanbul, Turkey on October 1-3, 2010. This meeting was a continuation of meetings held in 2008-2010. The workshop was organized and facilitated by Susan Allen Nan, a professor of Conflict Analysis and Resolution at George Mason University, and Dr. Paula Garb of the University of California at Irvine. During the workshop, the participants discussed the current situation in the country, various initiatives aimed at building understanding and trust between Georgian and South Ossetian societies, as well as the next steps of the Point of View process.

Following the first Point of View Dialogue/Workshop, Mr. Philip Gamaghelyan, a graduate Research Assistant at the ICAR-GMU who works on the Point of View Georgian-South-Ossetian workshops under the supervision of Susan Allen Nan, undertook a follow-up trip to the region. During his visit, Mr. Gamaghelyan met with the Georgian participants of the Point of View Process in Tbilisi.

The second Point of View Georgian-South-Ossetian workshop is planned to be held in Istanbul on January 12-14, 2011, while the third will take place in March 2011.

Workplan Development

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

III. CHALLENGES AND CONSTRAINTS

Georgia

During the reporting period FORECAST Georgia faced the following challenges:

- Due to unavailability and busy scheduled of some of the MRA program participants not all of them attended the classes and accordingly have not received the full certificates. Of note is that FORECAST was not provided with the information on a systematic absence of some of the participants in time. Only one participant, Ms. Tamar Karchava, informed FORECAST about her unavailability.

IV. 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. FoF is 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 participants' action plans.

Creation of Alumni Office at Ivane Javakhisvili Tbilisi State University

In 2008, USAID through FORECAST/Georgia funded performance assessment at TSU. Given the fact that TSU has a very large alumni population, both within the country and emigrated, one of the recommendations provided by the international experts, which was later incorporated into the TSU strategic plan, was creation and funding of an alumni office at TSU. In March of 2010 the Head of the Department of International Relations of TSU together with the Rector submitted the FoF request to FORECAST which has been reviewed and subsequently approved. This initiative was carried out in parallel with the final intervention of the full HICD program, *Support to Establishment of Alumni Office*, and served as a complement to it.

The creation of an alumni office with the goal of building a powerful network of successful TSU alumni able to contribute financially to the university's development, aims to move forward the development and fundraising projects of the university. By introducing this function and appropriate models, TSU hopes to create a favorable environment and supporting mechanisms to effectively reach alumni and the general public who are willing to assist the university or are eager to participate in the university's projects/events.

FORECAST contracted Ms. Trisha Bergman as a short-term in-country volunteer consultant to facilitate the activities defined under the TSU FoF project.

As a result of this project the overall operation of TSU and its organizational performance has substantively improved. In particular:

- University developed its alumni outreach function and set a foundation to carry out broader alumni fundraising and advancement activities;

- TSU developed its internal capacity to effectively manage alumni affairs, and to provide support in designing support systems accordingly;
- TSU leadership and faculty were introduced to know-how and best practices of alumni relations and other basic sustainability activities.

On December 23, 2010 TSU conducted the alumni kick off event at the Radisson SAS hotel. During the event the Rector of TSU presented to the guests the concept of the alumni club as well as talked about the future plans of the University. With this even the FoF activities at TSU have been completed.

Professionally Managed Local Governments – Way to Better Communities

The Executive Director of the Municipal Service Providers Association (MSPA), Ms. Ketik Jakeli, on behalf of the MSPA submitted the request for follow-on funding to FORECAST which was reviewed and subsequently approved on June 17, 2010.

The goal of the project was to support popularization of the local governance and promotion of professionalism in municipal leadership through the effective networking of municipal leaders.

The objectives of the project were to:

- Increase awareness of electorate in municipalities on importance of local elections and their participation in them;
- Conduct the quick needs assessment in member municipalities to define the key problems of the community, develop the “Issue Books” for newly elected municipal leaders in targeted municipalities;
- Support networking of the newly elected municipal leaders and promote the creation of good understanding of the role of municipal administration in the process of the sustainable development of the community.

Within this project the following activities have been implemented:

- Two types of posters have been developed, printed and distributed in 15 member municipalities explaining the roles and responsibilities of the council, functions of the executive office “Gangeoba” and particularly functions of the chief executive;
- Needs assessment of municipal services has been organized and conducted in 15 member municipalities in order to define the main problems community faces in daily life;
- Needs assessment trainings of municipal servants have been organized and conducted in 15 member municipalities;
- The assessment reports have been developed and the presentation conducted for the newly elected municipal leaders.

Based on the results of the assessment separate reports for each targeted municipality have been developed according to the needs of municipal services. The reports were titled “Issue Books” and will serve as guides for the newly elected council members as well as newly appointed executives in planning their working processes as well as defining the resources for improving the situation in their communities.

As regards the report on training needs, it will be used by the MSPA for developing the capacity building program for its members and non-members for the period of 2010 – 2011. Both documents will be publicized on the MSPA website (www.mspa.ge) as well as presented for the discussion at the MSPA members meeting in late July of 2011.

Publication of the bilingual book: National Strategy and Action Plan for Children and Youngsters' Physical Education in Georgia and their Involvement in Sport

In June – November, 2010, USAID through FORECAST/Georgia funded the development of a National Physical Education Strategy and the Action Plan. Following this, the Chairman of the Sport Experts' Council of the Georgian Parliament, Mr. Vazha Shubladze, with the support of the Ministry of Education and Science (MoES) submitted the FoF request to FORECAST.

The proposed FoF project aimed to introduce the *National Strategy & Action Plan for Children and Youngsters' Physical Education in Georgia and their Involvement in Sport* to all schools and a number of the kindergartens in Georgia by publishing and distributing a bilingual guidebook (Georgian-English) among the stakeholders.

In particular, 3,500 copies of that guidebook have been distributed in 2,179 schools countrywide free of charge. MoES arranged the transportation and delivery/distribution of the copies. The school directors, teachers and other stakeholders got acquainted with this unique document which provides comprehensive information on introduction of physical education into the daily life of the youngsters.

V. 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 agreement:

1. United States Energy Association – to send two participants from the Black Sea Regional Transmission project to the US study tour to Washington D.C. on November 6-8, 2010.

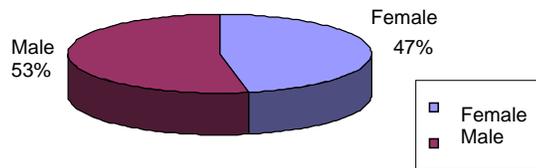
The total number of participants processed under Participant Processing Services for the reporting period was 2 male.

VI. 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.

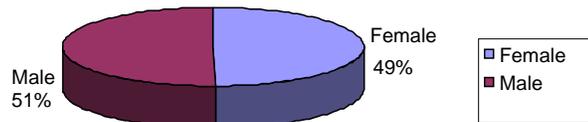
During the reporting period **FORECAST/Georgia** processed 555 participants, of whom 261 were female (47%) and 294 male (53%).

FORECAST/Georgia pax processed during the reporting period



The total number of the participants processed to date is 4,056 of whom 1,993 (49%) were female and 2,063 male (51%).

FORECAST/Georgia pax to date



VII. 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 did not procure services from any MSIs or HBCUs.

VIII. ADMINISTRATIVE OVERVIEW

Georgia

HR/Personnel

In November, 2010, Ms. Natia Vepkhvadze resigned from the position of Program Officer and moved to another USAID funded project. Ms. Vepkhvadze has been replaced by Ms. Sopo Motsonelidze, a former local Project Officer for the *Educational Scientific Infrastructure Development Agency (ESIDA)* program.

In December, 2010 Ms. Tako Toroshelidze left the organization for personal reasons. Consequently, WL Administrative Assistant, Ms. Salome Mshvildadze has been upgraded to the position of Program/Administrative Assistant.

Procurement

Due to the fact that FORECAST project is coming to an end no new furniture or new equipment has been purchased during the reporting period.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September 2007, and approved by the CTO in December 2007. 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 COTR 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

FORECAST continues to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia. During the reporting period five organizations out of 35 responded. There were 52 programs in total: 52 ICT and 0 TCT. The total number of participants was 1319, of whom 523 (40%) were female and 796 (60%) male.



USAID
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CAUCASUS
FORECAST Project

FORECAST/CAUCASUS

Quarterly Report
April - June 2010

and

Monthly Report for
July 2010

Task Order Number: RAN-I-00-05-00026-00

Task Order Period: August 27, 2007 – May 5, 2011

Submitted to USAID/Caucasus
By World Learning

July 31, 2010

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Attachments

Attachment I - Progress Report for Georgia

Attachment II - Financial Status Report

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

No activities conducted during the reporting period.

Georgia

1. RESTORED ECONOMIC ACTIVITY AND GROWTH

MINISTRY OF REGIONAL DEVELOPMENT AND INFRASTRUCTURE

The goal of the TA at the Ministry of Regional Development and Infrastructure (MRDI) is to assist the Government of Georgia (GoG), and in particular the MRDI, in developing and finalizing its Regional Development Strategy and the Action Plan.

The program commenced in April, 2010 and is planned to end in October with the possible one or two months extension (to be decided). The local team, consisting of the Action Plan Content Manager and seven analysts, has been contracted by FORECAST to implement key components of the project, including (but not limited to) the following tasks:

1. Organize field research/consultations in the regions with local and regional communities in order to research the diversity of needs, and reflect them in the action plan;
2. Contribute to articulation of the Regional Development Strategy action plan methodology, including prioritization and selection criteria for local and ministerial decision-making on infrastructure development projects;
3. Contribute to coordination meetings before the approval of the action plan and during the initial phases of its implementation;
4. Publication of the strategy and the action plan as well as their dissemination among the local and regional communities.

The finalized Regional Development Strategy was presented and adopted by the GoG on June 25, 2010. The team of local consultants continues working on the Action Plan.

2. ENERGY AND ENVIRONMENT (EE)

MINISTRY OF ENVIRONMENT PROTECTION AND NATURAL RESOURCES (HICD)

The performance assessment and TA activities at the Ministry of Environment Protection and Natural Resources (MEPNR) aimed to define management and programming gaps, to provide technical assistance to strategically plan for and address those gaps, and to recommend an intervention package to address priority performance shortcomings/gaps.

The program commenced in September, 2009 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 FORECAST partner organization, the Center for Training and Consultancy (CTC).

On October 26, 2009 KNO submitted to FORECAST the final report on the basis of which further interventions were identified. However, due to the abrupt restructuring processes that were underway at the Ministry, as well as due to the fact that some interventions identified by the

MEPNR were recognized as not in line with FORECAST mandate, the final prioritization of the interventions was delayed.

Yet, after long and intensive discussions with the MEPNR the following interventions were agreed on and the Intervention Package approved on May 20, 2010.

1. PR and communication workshop for the media representatives;
2. TA/Training in Project Management (PM);
3. IT support for project management software/database development;
4. Assist MEPNR to set-up HR management and professional development systems.

The first intervention is planned for July 30-August 1, 2010.

For more information on this program, please see *Challenges and Constraints* below.

3. GOVERNMENT TRANSPARENCY, ACCOUNTABILITY AND RESPONSIVENESS TO THE PUBLIC

MUNICIPAL SERVICE PROVIDERS ASSOCIATION (MSPA) AND MUNICIPAL FINANCE OFFICERS ASSOCIATION (MFOA) (HICD)

The goal of the MSPA & MFOA HICD program is to improve the overall performance of the associations in meeting their short- and medium-term goals. The first phase of the program, assessment and the technical assistance, aimed to define management and programming gaps at the MSPA and MFOA, to provide technical assistance to strategically plan for and address those gaps, and to recommend an intervention package to address priority performance shortcomings/gaps.

The activity was conducted in July 2009 by Ms. Elissa Myers and Mr. Richard Dorman, two international consultants with practical and theoretical experience in association strategic management. The team of international consultant was supported by the IQC Category I local partner, consortium of three organizations: Partners Georgia, UNAG, and ARC.

The project team worked intensively with the MSPA and MFOA senior staff (the presidents, the executive directors, and the board members), as well as various international and local stakeholders (including GoG representatives) to thoroughly assess and develop the capacities of the associations to more effectively undertake activities in support of their goals and missions.

After receiving the final assessment report from the assessment team, FORECAST developed an intervention packages for the MSPA and MFOA including the following components:

Component I: TA at the MSPA - Short Term Survival (completed);

Component II: Commodity Purchase for the MFOA - Financial Software (completed);

Component III: TA at the MSPA - Local Government Toolkit (under development).

Component II: Commodity Purchase for the MFOA - Financial Software – Completed.

The objective of the second component was to create the foundation for a product line for the MFOA, built around an automated financial budgeting and reporting system that will support the municipalities and the national government in recording and communicating financial data.

Georgian Software Systems (GSS), a local company specialized on the development and distribution of financial and bookkeeping systems for both public and private organizations, has been selected through a competitive bidding process and approved as the vendor for the

procurement of the financial software at the MFOA and its 20 member municipalities. GSS began installation of software on May 27, 2010. At the same time, GSS launched short training sessions on the software specifics for the finance and IT staff of the MFOA. All the activities were completed by the mid of June. The MFOA plans to conduct the software related training for all beneficiaries in July, 2010.

Component III: TA at the MSPA - Local Government Toolkit – (under development)

For more information on this program, please see *Success Stories* below.

CONSTITUTIONAL COMMISSION

The goal of the Constitutional Commission program is to support the activities of the Georgian Constitutional Commission to produce draft amendments to the Constitution of Georgia in a transparent and inclusive manner. The program consists of the following components:

Intervention I - First Session of the Editorial Working Group (completed);

Intervention II - First Plenary Session (completed);

Intervention III - Three Regional Working Group Meetings (completed);

Intervention IV - Bazaleti Conference (completed);

Intervention V - American Experts visit to Tbilisi (completed);

Intervention VI - Second Plenary Session (completed);

Intervention VII – Third Plenary Session (completed);

Intervention VIII – Participation in panel discussion in the US (cancelled);

Intervention IX – Berlin Conference (under development);

Intervention X – Fourth Plenary Session (under development).

On May 11, 2010 the Constitutional Commission held the *Third Plenary Session* during which three draft amendment packages were presented and discussed. The draft amendment package presented by the Secretariat of the Constitutional Commission supported an increase in the power of parliament to serve as a good counterbalance to the power of president; the project presented by Levan Ramishvili, the so-called “American model”, offered introduction of a federal system of government in Georgia; while the third draft amendment package, presented by Vasil Gonashvili and Levan Bodzashvili, implied the establishment of the institute of Vice President.

The discussion was followed by voting on the projects as a result of which the draft amendment package presented by the Secretariat of the Constitutional Commission was prioritized (received 31 votes out of 41) and thus will serve as a basis for the new constitution.

The eighth intervention of the program, *Participation in Panel Discussion in the US*, has been cancelled due to the late request that came from the Commission as well as due to a weak justification for the visit.

FORECAST continues working on the ninth and the tenth interventions of the program, *the Berlin Conference* and *the Fourth Plenary Session*. The conference will be held on July 15-16, while the plenary session is planned for July 19, 2010.

4. IMPROVED DELIVERY OF SOCIAL SERVICES

MOES INFRASTRUCTURE DEVELOPMENT AGENCY (ESIDA)

The Educational and Scientific Infrastructure Development Agency (ESIDA) was established in January 2009 as a Legal Entity of Public Law under the Ministry of Education and Science (MoES). The mission of the agency is to support the provision of quality education through the renovation and construction of infrastructure in schools, universities, and scientific institutions, and the introduction of modern technologies in public secondary schools and Educational Resource Centers (ERCs). For all intents and purposes, the Agency is the conglomeration of the MoES' *Iakob Gogebashvili* (infrastructure) program, and the *Dear Leap* (ICT) program, both of which have been run as separate MoES entities for the past five years.

The FORECAST program is to improve the general education infrastructure and ensure a more fair, transparent and fact-based decision making process in school construction and infrastructure rehabilitation in Georgia according to modern standards. FORECAST is working with the ESIDA, the MoES, and stakeholders to assess the current legal and technical framework as well as capacities of the ESIDA and stakeholders to develop and implement a new standards regime. At the same time the program will determine the needs-based criteria upon which Education Resource Centers (ERCs), local communities, and the MoES will evaluate, prioritize and recommend infrastructure rehabilitation and construction works for educational facilities, and upon which the ESIDA will make decisions regarding those rehabilitation and construction works. Additionally, as a function of developing the School Construction and Rehabilitation Master Plan, the program will develop core processes including the identification and (re)assignment of functions, responsibilities and authorities; defining timelines; developing the necessary templates/forms and systems; and establishing communication channels to better allow the institution to solicit information from the schools, and prioritize and make decisions regarding works to be undertaken each year.

The following are the program components:

Intervention I – Study Tour for Improving the Institutional Capacity of the ESIDA (completed);
Intervention II – Technical Assistance on the Development of School Rehabilitation and Construction Master Plan (completed);
Intervention III – Technical Assistance on the Development of Modern School Rehabilitation and Construction Standards (in progress).

Intervention II (Master Planning) – Completed.

During their visit, the experts from MGT of America visited schools in Tbilisi, Sagarejo and Gori and conducted facility assessments of those schools, which were either fully rehabilitated, partially rehabilitated or not renovated at all. The consultants interviewed heads of regional resource centers, school directors, teachers, and representatives of local municipalities. The purpose of the study was to provide recommendations on the administrative structure for the education facility construction and rehabilitation master planning framework that is responsive to the needs of the MoES and local stakeholders.

On March 10, the experts conducted a workshop to introduce their preliminary findings and recommendations to the MoES, ESIDA, and other stakeholders, such as representatives of the MRDI, ERCs, schools, and local communities. The final report that included detailed recommendations on the master planning administrative structure and processes, facility database elements and collection procedures, facility assessment criteria and methodology, was submitted to FORECAST in mid April.

Intervention III (Standard Development) – In progress.

The development of the modern school rehabilitation and construction standards is also part of the technical assistance provided by FORECAST to the ESIDA. This TA effort is led by the international and local experts, and is coming to an end by July 31. The international experts from MGT and its sub-contractor Schmidt Associates visited Tbilisi twice: the first visit covered the period of May 1 – 14, while the second covered the period of June 19 – 24.

During their first visit, MGT visited the ESIDA, schools in Tbilisi and the regions, met with the MoES representatives, ERC administrators and all other related stakeholders. The stakeholder meeting was held on May 4, where the international experts made presentations about the best international practices in school construction, rehabilitation and educational specifications, while the local experts discussed the regulatory and legal framework of the construction field in Georgia.

During the second visit, MGT presented their draft report and received feedback from the stakeholders (which will be incorporated into their final report). The final report will be delivered on July 2 along with the Implementation Manual. Once the team of local experts complete their portion of the standards report by the end of July, both pieces will be incorporated into one single volume and will be submitted to the ESIDA.

NATIONAL EDUCATION ACCREDITATION CENTER (NEAC) (HICD)

The goal of the National Education Accreditation Center (NEAC) HICD program was 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 performance assessment of the NEAC 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 (July and October, 2008). Based on the recommendations received the intervention package was developed and approved in January, 2009.

Intervention III (Database Development, the last prioritized intervention) – The goal of the program was to develop a systematic information collection, analysis, management and dissemination framework at the NEAC. The program was conducted by the local IT firm United Global Technologies (UGT) selected through a competitive bidding process. The TA activities covered the period from March to June, 2010.

The following is the list of activities conducted by UGT at NEAC:

- Detailed needs analysis;
- Detailed system analysis;
- Identification and enumeration of key business processes;
- Detailed analysis of database structure;
- Detailed analysis of application software;
- Assessment of processes, database structure and external systems for need and readiness for interconnection and automation of data exchange;
- Recommended modifications of database structure;
- Recommended modifications of key business processes;

- Recommended development plan including assigned resources of database modifications to align it with business needs;
- Describe and document reengineering version of key business process;
- Describe and document recommendations regarding database security;
- Describe and document recommendations regarding application software optimization;
- Describe and document recommendations regarding user access module;
- Develop new structure of database and functions for:
 - Registry of high school;
 - Registry of professors;
 - Registry of students;
 - Specialty classification;
 - Study process execution;
 - High schools courses;
 - Individual development plan;
 - Grants accounting and calculation;
 - Mobility management;
 - Integration service configuration.
- Develop functions to allow data change logging;
- Develop database scripts to make automatic data cleanup;
- Improve database script to support transaction;
- Add database indexes on appropriate database table to increase data selections and update performance;
- Develop functions to integrate external NEAC organizations;
- Create Technical Framework document.

UGT has also conducted workshops on database at different universities. The goal of these workshops was to ensure database compatibility with external systems. Reviews uncovered that the database has universal capabilities and does not need customization for each university. Simple configuration of profile allows high schools to load and get all required data using modified structure of database.

The final report was submitted to FORECAST on June 24, 2010.

For more information on this program, please see *Success Stories* below.

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 2008 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).

After receiving the final assessment report, FORECAST developed an intervention package that included three prioritized interventions:

1. Strategic Planning, Implementation and Monitoring (completed);
2. Recommend and Document Improved Work Processes (completed);
3. Development of Financial Sustainability Plan (in progress).

The first two interventions, *Strategic Planning, Implementation and Monitoring* and *Recommend and Document Improved Work Processes*, were conducted in May, 2009.

The third and the last recommended intervention, *Development of Financial Sustainability Plan*, commenced on May 31, 2010. The **goal** of the intervention is to assist TSU to develop its internal capacity to carry out an alumni relations function that will contribute to the broader fundraising and sustainability objectives of TSU.

Mr. William Kirschke has been selected as a service provider for this intervention. During his first visit (May 31-June 12, 2010), the consultant assessed the potential for the university to undertake a successful program of alumni relations. The consultant conducted a number of interviews/meetings with senior administration and academic leaders as well as held seminars in Alumni Relations, Development (fundraising) and Marketing for the relevant TSU staff. A strategy and way forward has also been established for the Chief Alumni Officer with specific priorities. Of note is the positive attitude of the TSU leadership, especially the TSU Rector, towards this undertaking.

During his second visit (July 3-10, 2010), the consultant plans to meet the head of the Law School to discuss the formation of a foundation for TSU. This element is necessary to facilitate the ability of TSU to accept private donations without tax penalties. Mr. Kirschke's third and last visit is scheduled for July 27-August 7, 2010.

NATIONAL PHYSICAL EDUCATION STRATEGY

The goal of the National Physical Education Strategy program is to support continued education sector reforms in Georgia by assisting the Government of Georgia (GoG) to develop a national strategy on physical education in schools.

In particular, the activity aims to assist the local experts group (in education, health, sports), led by the National Curriculum and Assessment Center (NCAC) of the Ministry of Education and Science of Georgia, selected by the GoG and sponsored by UNICEF, to develop the National Physical Education Strategy. The FORECAST's portion is to support the process by contracting international experts to assist the local experts group in introducing western-style models of physical education in schools, developing a draft national strategy on physical fitness, and developing an action plan and set of recommendations for future interventions to support the activities of the GoG in this field

The program commenced on June 16, 2010 and will consist of three visits of consultants from the Youth Sport Trust (YST), the British organization experienced in developing and managing educational sporting programs.

The first visit took place on June 16-20, during which the YST international expert, Mr. Alan Bell, conducted series of meetings at the Parliament of Georgia, NCAC, Georgian Olympic Committee, as well as at the Children and Youth Sports Federation. At the same time Mr. Bell provided assistance to the local experts in their work on the national strategy on physical education in the country. Mr. Bell has submitted his preliminary findings, recommendations and analyses together with the interim report in mid July, before his second visit in August.

HEALTH INSURANCE MEDIATION SERVICE (HIMS)

The Health Insurance Mediation Service (HIMS) was established in 2008 through a joint initiative of the Georgian Insurance Association, the Ministry of Labor, Health and Social Affairs of Georgia and the USAID-funded CoReform Project. The mandate of HIMS is to:

- Conduct outreach activities to inform and educate the population and health care providers about the benefits included in the state-sponsored universal insurance program;
- Maintain a system for registration of claims and respond to inquiries from policy holders and other interested parties on health insurance-related issues;
- Prevent health insurance related disputes from occurring by actively engaging the parties to a potential dispute to address their differences;
- Resolve disputes between policy holders and health insurance companies through mediation services;
- Assist the health insurance industry and the Government of Georgia (GoG) to improve health services by identifying system bottlenecks and recommending ways to overcome them.

The program components include:

Intervention I – Establish Effective Public Communication Strategy (in progress);

Intervention II – Improving the Mediation Processes (in progress);

Intervention III – Establishing the Organization’s Quality Management System (QMS) (under development).

Intervention I (Public Communication Strategy) – In progress.

The program commenced on June 14 and is carried out by the FORECAST Category I Local IQC partners: Partners-Georgia and ARC. During the reporting period the consultants have developed a questionnaire for the quantitative research for 1,048 respondents to be used during the communication strategy planning.

Intervention II (Improving the Mediation Processes) – In progress

The HIMS representatives visited the German Private Health Insurance Association (GDV) and the Private Health Insurance Ombudsmen’s Offices in Berlin, Germany from June 20-26. The study tour was specifically tailor-made for the Georgian delegation and was targeted to support the improvement of customer protection in health insurance and the role of the health insurance ombudsman service in Georgia. The participants were involved in the review and discussions of actual cases, and were mentored in all procedural and judicial matters related to claims and claims processing. They worked directly with their seasoned German counterparts, as well as got acquainted with the specifics of the counterpart agency’s management and support systems, exploring the additional issues, such as sustainability, statistics, reporting, and forecasting/planning.

The dates for the German expert’s visit to Tbilisi and the second study tour will be negotiated with HIMS.

Intervention III (Organization’s Quality Management System – QMS)

Once the above two interventions have tangibly progressed towards actualization, FORECAST will contract a local organization that will undertake this activity at HIMS.

For more information on this program, please see *Challenges and Constraints* below.

MINISTRY OF EDUCATION AND SCIENCE – US UNIVERSITY INVESTMENT INITIATIVE

Having completed a number of priority reforms at all levels of the education sector, the Government of Georgia (GoG) and the Ministry of Education and Science (MoES) have expressed their intent to take the higher education system in Georgia to the next level of modernization through the development of an ambitious initiative, that is: to establish the country as an international education center of excellence for the South Caucasus, Black Sea, Caspian Sea, and Central Asia regions. Based on the MoES vision, this can be attained through the establishment of a campus of a well-known US university in Georgia that will provide superior (and highly recognized) quality undergraduate and graduate education.

To assist the MoES in this endeavor FORECAST developed a program that consisted of two key components:

- Explore and determine advantages and disadvantages of Georgia as the choice location (internal and regional market), understand potential for and interest in investing in this initiative on the part of US universities, and make recommendations for the GoG accordingly;
- Develop a detailed proposal for the MoES to solicit consideration among the top-20 leading US universities.

A feasibility study to determine a viability of the MoES initiative was carried out by Arts and Science Group, the US-based consultancy company specialized in market-informed strategy for colleges and universities, together with the local consultants, Mr. George Simongulashvili and Mr. David Gochashvili. The activity was conducted within the period of April – June, 2010.

In order to determine what is required for attracting a leading US university, Art & Science Group and Georgia-based consulting partners followed a six-step process:

1. Assessed criteria based on which the US universities make decisions regarding internationalization efforts;
2. Considered comparative advantages and disadvantages of Georgia relative to the experience of US universities in other countries;
3. Assessed the current situation in Georgia in light of this initiative, that is: costs, regulatory framework, tax rates, and other issues affecting how readily a US university can get started and operate in the country;
4. Estimated the optimal parameters of a branch campus, taking account of the requirements of the university and the objectives of the Government in determining appropriate student and faculty size, capital and operating costs, as well as operating conditions;
5. Assessed the demand for US-style higher education (undergraduate and/or graduate) among prospective students in Georgia and the neighboring region.
6. Obtained initial reactions to the initiative from top US university leaders.

The project team worked intensively with various local and international organizations (e.g. NEAC, NAEC, OSGF, IREX and British Council) to compile all necessary data and information. They also conducted series of focus group meetings as well as interviewed the top-notch students from the private and public high schools in Tbilisi to gain understanding about the demand of Georgian students on international degree programs.

Additionally, in order to make a market research and assess a demand on international degree programs in the countries identified as strategically important by the MoES, the consultants conducted field visits in Azerbaijan, Kazakhstan, Ukraine and Moldova.

The final report which included findings from the assessment and recommendations was presented to the Prime Minister of Georgia and the Minister of Education and Science on June 29, 2010.

The overarching conclusion of the team of consultants is that bringing in a top US university is a highly ambitious objective, will be extremely difficult to achieve, but is possible. The focus on job creation in engineering, IT, and related fields is the right one. Skepticism about Georgia as a place stable, safe, and ultimately desirable enough for such an endeavor will need to be overcome, and three pivotal actions will need to be taken: (1) the Government and its financial partners will need to invest a very significant amount of money and sustain spending at a high level; (2) the Government will have to give the partner university considerable freedom and assurances of support; and (3) the Government will need to sponsor a sophisticated effort to identify and cultivate universities willing to risk launching a major initiative in a market where most will not.

5. PROGRAM AND PROJECT SUPPORT (PPS)

MINISTRY OF REFUGEES AND ACCOMMODATION (MRA) – TA

The expertise and leadership provided by FORECAST in the third phase of the project towards the institutional development of the MRA falls into 4 key intervention areas:

1. MRA TA Phase III – in progress;
2. MRA Restructuring – in progress;
3. MRA Legal Department TA/Training – in progress;
4. MRA Finance Department TA/Training – in progress.

Intervention I (TA Phase 3 at MRA) — In Progress.

FORECAST provided intensive TA to the MRA in preparation for the restructuring process. However, while acknowledging the need for restructuring and being very supportive of it, the MRA was reluctant to move forward with concrete actions. This was due to the upcoming local elections and the politically driven need for the MRA not to take any actions which may be construed in a negative light by the electorate. The first restructuring retreat was therefore postponed until the end of June – immediately after the elections. The retreat was very successful and the objectives of reaching a consensus of opinion among a wide range of senior staff that the MRA needs to undergo wide ranging and significant change was reached.

During the retreat, the issue of de-centralization was discussed and the decision was made to transfer the authority to decide IDP status, registration and other key responsibilities to the regional offices. The reason why it was impossible to undertake these changes before was due to the lack of accurate data in a workable database and the ability to access it remotely from regional offices. Since the FORECAST recommendations these have all been overcome with FORECAST being at the forefront of working with UNHCR to provide solutions. The second and the final restructuring retreat with core MRA staff is planned for July 10.

In addition, during field assessment visits, communications between the MRA HQ, regional offices, municipal and village authorities were mapped. Empirical evidence from meetings with (particularly old case load) IDPs evidenced a marked improvement in the flow of information from the community level to the MRA and from the MRA to the community level. Coordination with municipal authorities has improved although this is still very much on an as needed basis as opposed to a regular information sharing. Long entrenched information mechanisms from the Soviet era still exist and each is reluctant to amalgamate.

FORECAST continued capacity building and targeted trainings. These have paid dividends with the Steering Committee (SC) and TEG systems and over the reporting period the capacity building (CB) was systematically withdrawn from the SC secretariat until it was functioning with a minimum of support and mentoring. The Steering Committee is now completely independent of FORECAST, is regarded as the pre-eminent meeting regarding IDPs in Georgia and is securely 'owned' by its members. The DRC will continue providing support to the Secretariat if and when required. Training, advice and mentoring was also provided to the Minister, the First Deputy Minister and the World Bank (WB) Community Development project within which FORECAST's advice has been integral to it potentially receiving extra support from the WB and the Council of Europe.

FORECAST worked closely with the DRC and other training/CB partners of the MRA to design and implement an effective exit strategy for FORECAST and smooth the transition from FORECAST leading the process of restructuring to the DRC. This strategy was implemented very effectively and now the DRC has a team of four working within the MRA including the former FORECAST local Program Officer, thus ensuring the transfer of institutional knowledge from one organization to its successor. The close out event is scheduled for July 20 in the Tbilisi Marriott.

FORECAST leaves the MRA a completely different organization than when it joined it on the development journey. For example, information flows more freely and is accurate and evidence based, coordination with the International Community (IC) and civil society has never been closer and many international organizations have remarked on their better working relationship.

For more information on this intervention, please see *Success Stories* below.

Intervention II (MRA Restructuring) — Commenced on March 29, 2010. CTC was selected as a service provider for the program to implement organizational, strategic and structural analysis and planning as a start to the HICD assessment. A team of consultants from CTC conducted a survey of the MRA's internal and external environment/stakeholders as well as assessed the organization, work place, and staff. Data was collected from a review of available reports, interviews and observation. CTC also reviewed the documents created on the MRA Coordination Unit's structure, functioning and responsibilities. Meetings were held with UNHCR project staff in order to better understand the work of the Steering Committee (SC).

Retreat with participation of the MRA senior management team was held on April 30 - May 1 in Bazaleti. The retreat aimed to undertake a review of current and future roles and responsibilities of the MRA, review the current structure, and conduct a comprehensive internal and external mapping exercise of the institution. As was anticipated the senior management of the MRA emerged from the retreat with a consolidated and agreed understanding of the need for structural changes. The preliminary report was drafted and distributed among stakeholders for their review and feedback.

CTC has also started drafting the restructuring plan which has to be presented on the upcoming retreat planned for July 9, 2010. The preliminary recommendations prepared by CTC were reviewed and discussed with the DRC and FORECAST consultants. CTC will incorporate the received comments into the recommendation package.

Intervention III (MRA Legal Department TA/Training) — Intervention commenced on June 28. The goal of the intervention is to strengthen the capacity of the MRA Legal Department in order to enable it to serve IDPs and the Ministry more effectively and efficiently. The Civil Society Institute Foundation (CSI) was selected as a service provider for this intervention and will provide TA and

training activities to the MRA Legal Department staff so that the latter can improve their ability to better support and advocate IDPs. The activities will last for a month.

Intervention IV (MRA Finance Department TA/Training) — In progress.

This intervention consists of two components: *TA to the MRA Finance Department* and *the GIPA Training on Internal Audit for Public Servants*.

Component I (TA to the MRA Finance Department) – In progress.

The goal of this component is to strengthen the capacity of the Finance Department of the MRA through a) reviewing, streamlining and documenting the Ministry's finance and accounting regulations and procedures; b) assisting the Finance Department in establishing an audit function; and c) providing the necessary TA and training aimed at building reporting and accounting systems in compliance with internationally accepted rules and donor requirements.

FORECAST contracted Policy and Management Consulting Group (PMCG) as the service provider for this component, commenced on June 1, 2010.

Currently, the PMCG consultants are analyzing the ORIS accounting system and existing documentation. The consultants have also conducted meetings with the representatives of donor organizations and the MRA officials on the issues of defining and harmonizing reporting procedures of the Finance Department.

The PMCG has already presented to the MRA the drafts of the following deliverables:

- Guide for Reporting with Various Donors;
- Internal Audit Guide;
- Financial Accounting and Reporting Manual;
- Set of recommendations.

Component II (GIPA Training on Internal Audit for Public Servants) – In progress.

FORECAST supports the participation of the key MRA finance staff and senior management in the training program proposed by the Georgian Institute of Public Affairs (GIPA): *Internal Audit for Public Servants*. The program is composed of three modules and aims to strengthen the financial management and reporting capabilities of the MRA to deliver high-quality financial services to its departments, and internal and external stakeholders.

The first module, *Public Law of Georgia and Managerial Accountability within the Framework of the Internal State Audit, and State Financial System of Georgia and Budgeting*, covered the period of April 17-June 25, 2010.

This module focused on the foundations and concepts of the internal state audit vis-à-vis domestic public law system and public sector management with comparative analysis of the UK, the Baltic States and the Netherlands, as well as the detailed overview of the Georgian model. The module incorporated legislative and procedural aspects that underlie the finance system and the budgeting processes. The substantive part was structured around the discussions on active domestic and international legislation, focusing on corresponding laws, international treaties and covenants in the field, as well as the overall domestic system of finances, budgeting and appropriations, including the 2009 Internal Control and Audit Strategic Plan.

The participants got acquainted with the standards, methodologies and processes that are related to the state-of-the-art international and domestic audit and budgetary practices, including an overview of the key sectoral institutions operating in Georgia (National Internal Audit Center, Chamber of Control and audit service agencies), state finance system, budgeting levels and procedures, and the managerial accountability and reporting requirements.

The second module, *Accountancy and Financial Reporting for Budget Organizations and Internal Audit in the Public Sector*, commenced on June 28 and will end at the beginning of August. This module will be immediately followed by the third and the last module, *Taxation and State Procurement*.

For more information on this component, please see *Challenges and Constraints* below.

MINISTRY FOR REGIONAL STRATEGY DEVELOPMENT (SMR)

The goal of the program is to support the activities of the State Ministry for Reintegration (SMR) to develop the *State Strategy on Occupied Territories*, and *Action Plan for Engagement of Occupied Territories*.

The program consists of the following interventions:

Intervention I (Working Group meetings) – Completed.

Intervention II (SMR Strategy Development) – In progress.

Mr. Kulick was selected as a service provider for the program in January. Since then he has been working in two main directions: developing Action Plan (AP) on occupied territories and the SMR capacity building.

The Action Plan will be a comprehensive document covering the Government's commitment to develop and strengthen connections between the people of the occupied territories with the rest of the Georgian population, from program areas down to project implementation. This will include unilateral actions by the GoG (e.g. status-neutral identification and travel documents for residents of the occupied territories, which will allow them to claim social benefits available to all Georgian citizens), and joint actions with the authorities in control (e.g. a liaison mechanism for civil matters, and a free economic zone).

After four months of intensive work and consultations with the SMR leadership and other stakeholders the consultant produced the draft Action Plan which was presented to the Europe-based analysts and officials, first, in Brussels and later, the second draft, in Paris. The recommendations received from the Europe-based analysts will be incorporated into the final draft which is planned to be presented to the Government of Georgia for ratification at the beginning of July. (For more information, please see interventions IV and V below)

The consultant has also worked closely with the SMR legal expert on the policy and legal implications of health, education, and travel reforms.

In addition to the above activities, Mr. Kulick is training the SMR staff in order to improve their general analytical and presentation skills. As a result of this training the work performance of the employees will improve and the effectiveness of their daily activities enhance.

Intervention III (SMR Strategy Development; Local Expert) – Completed.

In drafting the *Action Plan for Engagement for Occupied Territories*, the SMR has confronted a number of domestic legal issues which it lacked the resources to analyze. Consequently, the need of legal expertise arose in order to scrutinize thoroughly the impact of Georgian law on the activities outlined in the Action Plan. In response, in May 2010, under the FORECAST project, the SMR contracted a part-time local legal expert with comprehensive knowledge of Georgian Legislation in order to receive sound policy recommendations and fully ensure compliance of the Action Plan with Georgian Legislation.

The local legal expert, Ms. Ketevan Gabelaia, has been working on the following issues:

- Educational issues to be incorporated into the Action Plan;
- Accreditation of agriculture products in adjacent areas of occupied territories;
- Liberalization of taxation in socio-economic zones adjacent to occupied territories;
- Current legislation on entrepreneurial and non-entrepreneurial activities in Georgia;
- Issues related to commercial and non-commercial activities of people living on occupied territories and on the territories under the control of Georgia, as well as their employment;
- Current legislation on education and certification issues.

The program ended on June 30, 2010.

Intervention IV (Retreat in Brussels) – Completed.

On June 2-4, 2010 Mr. Kulick accompanied the SMR delegation, including the State Minister, Mr. Temur Yakobashvili, and the Deputy State Minister, Mr. David Rakviashvili, to Brussels to discuss the draft Action Plan with Europe-based analysts and officials, in order to produce a second draft. The retreat was organized by Antje Herrberg of the European Forum for International Mediation and Dialogue, who is contracted by the EU to advise the SMR on strategy development. The recommendations received were incorporated into the second draft presented in Paris.

Intervention V (Retreat in Paris) – Completed.

On June 25, 2010 Mr. Kulick attended the P4 +1 meeting (US, UK, FR, GR, + EU [EC-DG RELEX, EUSRJ]) in Paris, hosted by the French Ministry of Foreign and European Affairs. The meeting was moderated by the Veronique Bujon-Barré, the Deputy Director for the Political and Security Affairs, and attended by the Minister Bernard Kouchner. The Georgian delegation included the State Minister for Reintegration, Mr. Temur Yakobashvili, the Deputy Minister, Mr. David Rakviashvili, and the MIA Head of Analysis, the Deputy Secretary of the NSC, the MFA Head of International Organizations, as well as the Political Counselor of the Embassy.

The discussion focused on the engagement strategy generally, and the Action Plan more specifically. The Action Plan was well received; there were few critical comments or recommendations for changes, and many questions—seeking further detail, rather than expressing skepticism—about elements of the plan.

Workplan Development

Status of all programs under the current Work Plan may be reviewed in **Attachment I**, including initiatives that will start immediately after the period covered by this report (i.e., August 2010).

III. SUCCESS STORIES

Georgia

The Executive Director of the Municipal Service Providers Association serves as a consultant for the Georgian Rural Development Program

The Georgian Institute of Public Affairs (GIPA) has contracted Ketevan Jakeli, Executive Director of the MSPA, to serve as a consultant for their Georgian Rural Development Program (GRDP). Ms. Jakeli commenced activities at the beginning of April using the HICD methodology which she became acquainted with during the PA of the MSPA (conducted by FORECAST contracted consultant Ms. Elisa Myers). By the end of May – beginning of June, Ms. Jakeli developed an assessment report and recommendations as well as individual Action Plans (APs) for the period of July 2010 – December, 2011 for three regional vet associations, i.e. Kakheti, Samtskhe-Javakheti, and Samegrelo. The strategy has also been drafted and submitted to the GRDP for the further discussion. The three regional vet associations will form the National Vet Association (NVA) for which Ms. Jakeli will also develop recommendations.

Ministry of Refugees and Accommodation (MRA)

The IDP inquiry Reception Center is operational and has recently processed its three thousandth visitor. This center, conceptualized, developed and recommended by FORECAST (who also identified funding and facilitated the DRC project) was set up by the DRC with EU funding. The effect on the MRA has been significant: disorderly queues which regularly used to spill out into the MRA car park have been eliminated, people are processed in an orderly and sequential manner, information is provided directly from the database which reception center staff have instant access to.

Successes from FORECAST's TA are emerging regularly and the database is another such case: while still room for improvement the database is now comprehensive and provides ease of access to accurate, timely and appropriate information. It is an integral part of the MRA's operations.

The National Education Accreditation Center (NEAC)

On June 2, 2010 the National Education Accreditation Center (NEAC) conducted the regional summit on "Capacity Enhancement for Implementation the Bologna Action Lines in Georgia" at the University of Georgia. The summit was attended by the representatives of the local and regional universities and the representatives of the Ministry of Education and Science. One of the main issues discussed at the summit was the NEAC database development project implemented under FORECAST. The UGT service provider conducted an informative and well-structured presentation as well as introduced the redesigned functions and improved mechanisms of the information management and administration to the audience.

IV. CHALLENGES AND CONSTRAINTS

Georgia

During the reporting period FORECAST Georgia faced the following challenges:

1. Although the interventions necessary to address the recognized performance shortfalls at the MEPNR have been identified and subsequently the intervention package approved, the rumors regarding the change of the leadership at the Ministry as well as its possible merge with the Ministry of Economy and Sustainable Development, impede the beginning of the prioritized interventions.

2. Due to unavailability and frequent business trips of the GIPA trainer, the end of the first module of the training on Internal Audit for Public Servants for the MRA Finance Department staff was postponed till the end of June. This was discussed with GIPA management and the promise was received that such problem will not arise any more.
3. Pursuant to the governmental Order, HIMS is being transformed into a Legal Entity of Public Law under the Ministry of Health. HIMS will be independent from the Georgian Insurance Association, and its functions will expand to accommodate handling of disputes between the medical clinics and the insurance companies in addition to its traditional dispute handling functions between the insurance holders and the insurance companies. According to the new law, HIMS will only serve the state insurance holders, and will not settle disputes of other holders. Because these changes directly affect the Partners-Georgia's work with HIMS, the intervention completion dates will most probably extend beyond July to flexibly accommodate all ongoing changes into the final deliverable.

V. 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. FoF is 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 participants' action plans.

Introduction of International Standards and Appropriate Guidelines of Quality Infrastructure of Georgia (FoF Project)

In February 2009, the Director of the Georgian Accreditation Center (GAC), Paata Gogolidze submitted the FoF request to FORECAST. The approval process was delayed due to the issues related to the scope of activities as well as the copyright compliance but was subsequently approved in January, 2010. The FoF project proposed introduction of international standards and appropriate guidelines to the quality infrastructure stakeholders and producers/suppliers of Georgia.

Within the framework of the proposed FoF activities GAC has purchased the international standards from the Georgian National Agency for Standards, Technical Regulations and Metrology for its internal use. The guidelines have been translated, edited and incorporated into the brochures which were printed and distributed to the representatives of the accredited laboratories operating in Georgia. Those translated guidelines that were not included into the brochures were posted on the official web site of GAC.

Translation and publishing of these documents has a crucial role for the performance improvement of the Georgian conformity assessment bodies and is a significant step towards the international recognition as well as for the obtaining European Cooperation of Accreditation (EA) membership.

As a result of the proposed activity, 140 conformity assessment laboratories were introduced to the international guidelines. The duration of the project was five months (February-June, 2010).

Creation of Alumni Office at Ivane Javakhisvili Tbilisi State University

In 2008, USAID through FORECAST/Georgia funded performance assessment (PA) at TSU. Given the fact that TSU has a very large alumni population, both within the country and emigrated, one of the recommendations provided by the international experts, which was later incorporated into the TSU strategic plan, was creation and funding of an alumni office at TSU. Thus in March of 2010 the Head of the Department of International Relations of TSU together with the Rector submitted the FoF request to FORECAST which has been reviewed and subsequently approved.

The creation of alumni office with the goal of building a powerful network of successful TSU alumni able to contribute financially to the university's development, will move forward development and fundraising projects of the university. By introducing this function and appropriate models, TSU hopes to create a favorable environment and supporting mechanisms to effectively reach alumni and the general public who are willing to assist the university or are eager to participate in the university's projects/events.

Through the proposed FoF project the following activities will be implemented:

- Facilitating the development of a strategy for TSU alumni relations;
- Developing a 3 year alumni office action plan, target activities and “starter” fund raising efforts;
- Providing networking opportunities;
- Setting up membership fees for individuals, organizations and associations;
- Organizing “starter” alumni event;
- Supporting awareness campaign organized for TSU employees to get them familiar with the idea and culture of reaching out to alumni to create favorable and supporting environment for effective launch of Alumni Affairs Office activities.

FORECAST has contracted Ms. Trisha Bergman as a short-term in-country volunteer consultant who will facilitate the activities defined under the TSU FoF project.

As a result of this project the overall operation of TSU and its organizational performance will be substantively improved. In particular:

- University will be able to develop its alumni outreach function and set a foundation to carry out broader alumni fundraising and advancement activities;
- TSU will develop its internal capacity to effectively manage alumni affairs, and to provide support in designing support systems accordingly;
- TSU leadership and faculty will be introduced to know-how and best practices of alumni relations and other basic sustainability activities.

The duration of the initiative is six months (June-November, 2010) with a budget amount of \$9,802.00

Professionally Managed Local Governments – Way to Better Communities

The Executive Director of the Municipal Service Providers Association (MSPA), Ms. Keti Jakeli, on behalf of the MSPA submitted the request for Follow-on Funding to FORECAST which has been reviewed and subsequently approved on June 17, 2010.

The goal of the project is to support popularization of the local governance and promotion of professionalism in municipal leadership through the effective networking of municipal leaders.

The objectives of the project are to:

- Increase awareness of electorate in municipalities on importance of local elections and their participation in them;
- Conduct the quick needs assessment in member municipalities to define the key problems of the community, develop the “Issue Books” for newly elected municipal leaders in targeted municipalities;
- Support networking of the newly elected municipal leaders and promote the creation of good understanding of the role of municipal administration in the process of the sustainable development of the community.

Through the proposed FoF project the following activities will be implemented:

- Develop, print and distribute 2 types of posters in 15 member municipalities explaining the roles and responsibilities of the council, functions of the executive office “Gamageoba” and particularly the chief executive;
- Organize and conduct the needs assessment of municipal services in 15 member municipalities in order to define the main problems community faces in daily life;
- Organize and conduct the needs assessment training of municipal servants in 15 member municipalities;
- Develop the assessment reports and conduct the presentation for the newly elected municipal leaders.

Based on the results of the assessment conducted under the above listed activities separate reports for each targeted municipality will be developed according to the needs of municipal service. The report will be called “Issue Book” and will serve as the guide for the newly elected council members as well as newly appointed executives in planning their working processes as well as defining the resources for improving the situation in their communities.

As regards the report on training needs, it will be used by the MSPA for developing the capacity building program for its members and non-members for the period of 2010 – 2011. Both documents will be publicized on the MSPA website (www.mspa.ge) as well as presented for the discussion at the MSPA members meeting in late July.

Expected project outcomes are:

- Increased awareness of community on importance of having the professional leadership in municipal administrations; in average 1,000 – 1,500 citizens in each community will get additional information on functions and responsibilities of the municipal officials;
- 35-40 newly elected council chairs and executive leaders will get the summary on municipal service issues in their jurisdictions;
- Municipal officials of all the municipal administrations (in total 64 municipalities/640-700 municipal servants) will benefit in 2010 – 2011 from the capacity building program developed by the MSPA based on the Training Need Assessment results.

The intervention will cover the period of June-September, 2010, with a budget amount of \$9,995.68.

VI. 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:

1. CHEMONICS International – to send 27 participants to the Study Tour in support of Input 1.1. Masters of Education (M.Ed.) Administration Program Established at Ilia State University (ISU) and Study Tour in support of Input 2.3. Education Management Information System (EMIS) further developed to provide data for decision makers in Los Angeles, California (13 participants) and in Washington D.C. (14 participants). Program dates: July 9-25, 2010.

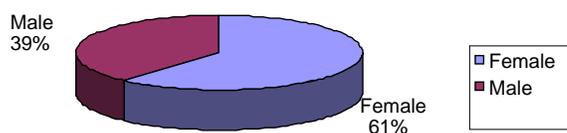
The total number of participants processed under Participant Processing Services for the reporting period was 11 male and 14 female.

VII. 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** processed 938 participants, of whom 576 were female (61%) and 362 male (39%).

FORECAST/Georgia pax processed during the reporting period



The total number of the participants processed to date is 3,136 of whom 1,558 (49.7%) were female and 1,578 male (50.3%).

FORECAST/Georgia pax to date



VIII. 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 did not procure services from any MSIs or HBCUs.

IX. ADMINISTRATIVE OVERVIEW

Georgia

HR/Personnel

In June 2010, Ms. Eka Todria resigned from the position of Deputy Director and moved to the US Embassy in Tbilisi, Georgia. Consequently, World Learning Country Director, Patrick Coughlin, has appointed Roman Tsutskiridze as a Deputy Director for Programs and Dea Pagava as a Deputy Director for Admin/Finance. Eka Leonidze has been promoted to the position of Program Officer and WL recruited Victoria Todria for the position of Program Assistant.

Procurement

During the reporting period no equipment has been purchased by FORECAST.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September 2007, and approved by the CTO in December 2007. 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 COTR 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

FORECAST continues to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia. During the reporting period five partner organizations out of 32 responded. There were 16 ICT programs in total. The total number of participants was 470, of whom 421 (90%) were female and 49 (10%) male.



USAID
FROM THE AMERICAN PEOPLE

CAUCASUS
FORECAST Project

FORECAST/CAUCASUS

Quarterly Report
October 2009 - December 2009

and

Monthly Report for
January 2010

Task Order Number: RAN-I-00-05-00026-00

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Attachments

Attachment I:	Progress Report for Georgia
Attachment II:	Financial Status Report

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

No activities conducted during the reporting period.

Georgia

RESTORED ECONOMIC ACTIVITY AND GROWTH

INTERNATIONAL SCHOOL OF ECONOMICS (ISET)

Intervention III (*Workshop on USAID Rules and Regulations*)

In order to contribute to the growth and sustainability of ISET as a premiere economics institute of higher learning in the Caucasus, FORECAST recently conducted two technical assistance (TA) interventions. The aim of the first intervention was to identify and define ISET's market niche, suggest an appropriate business model, and a process of transition to that model. The second intervention aimed to strengthen ISET's finance department, including staff training and the development of its financial and general management systems and procedures to enable ISET to more readily accept funding from international sources in particular. As a result of the second intervention, ISET was advised to attend a USAID Financial Administration Training in order to improve their financial processes and procedures to meet international and US funding source requirements. Following this recommendation, FORECAST sent the ISET accountant and administrator to the *InsideNGO* off-the-shelf workshop on USAID rules and regulations in Amman, Jordan (November 16-18, 2009).

The training gave participants a good sense of the issues they confront when managing USAID and other USG funding. While emphasis was placed on USAID funding for grants and cooperative agreements, the workshop was worthwhile for organizations receiving funding from other agencies as well. The workshop presented an excellent opportunity to update the participants on what is currently happening with the Office of Management and Budget (OMB) Circulars affecting Private Voluntary Organizations (PVOs) and the Non-Governmental Organizations (NGOs).

The training covered the following issues:

- Types of USAID Awards ;
- The Award Process (Pre-Award, Post-Award, Closeout);
- Sources of Legal Authority and Policy;
- Detailed Review of USAID's Administrative Rule (22CFR226);
- Standard Award Provisions for US Based and Non-US Based Organizations;
- Policies on Source, Origin and Nationality of USAID-Financed Goods and Services;
- What's Negotiable When You're Applying for USAID Assistance;
- Policies and Procedures for Sub-awarding Funds;
- Cost Allowability Under OMB Circular A-122;
- Audit Readiness and Survival.

Participants received an up-to-date course manual containing all of the primary government source documents (OMB Circulars and USAID regulations and internal policies) affecting grants and cooperative agreements as well as several analytical summaries and technical assistance tools assisting in implementing the requirements for future reference.

For more information on this program, please see *Success Stories* below.

NATIONAL ACCOUNTS STATISTICS COURSE

The USAID Mission requested the FORECAST program to send the Head of the Macroeconomic Statistics Division (Ministry of Economic Development of Georgia, Department of Statistics) to the International Monetary Fund (IMF)-sponsored National Accounts Statistics (NAS) course in Washington DC (September 7-October 9, 2009). The NAS course was primarily designed for analysts and managers employed by agencies responsible for the official estimate of gross domestic product, with several years of experience compiling national accounts statistics. The course covered theoretical and practical aspects of the implementation of a System of National Accounts 1993 (1993 SNA). It also provided training on the estimation of goods and services transactions at current and constant prices when compiling the annual national accounts.

Additionally, attention was given to foreign trade and final consumption expenditure before all goods and services transactions are brought together in the framework of Supply and Use tables. A number of sessions were devoted to the compilation of price and volume measures and real GDP estimates.

On the whole, this course contributed to the professional capacity of the Macroeconomic Statistics Division to more effectively adhere to international standards in national accounts statistics as well as exposed the participant to the latest practices, methodologies, and principles of compiling national accounts. The following is an excerpt from the progress report submitted by the participant:

“Since my return to Tbilisi I gave a very detailed description of the whole course and underlined main changes in SNA 2008 to the staff of National Accounts Division. During the presentation we discussed some issues with the high management body.

What we have done during the last three months is that we recalculated Gross Value Added distribution by regions on a quarterly basis. Now the compliant time series are available since 2003.

We requested some governmental agencies to provide us with more detailed information about appropriate economic activities. For example, for calculating output of financial institutions we use data on insurance, which includes reinsurance. According to the SNA 2008 we have to record reinsurance separately from insurance as the services produced by the reinsurance corporation should be treated as an intermediate consumption by the direct insurer but not as an output.

We launched the process of implementation of new recommendations, which requires huge methodological changes and long period of time. As the National Accounts producing the aggregate macroeconomic indicators using the databases of all other divisions as a source, we plan to make specific changes in statistical questionnaires used for several statistical surveys. This process requires adopting new methods in every field of statistical work.”

ENERGY AND ENVIRONMENT (EE)

MINISTRY OF ENVIRONMENT PROTECTION AND NATURAL RESOURCES (FIRST PHASE)

The performance assessment and TA activities at the Ministry of Environment Protection and Natural Resources (MEPNR) aimed to define management and programming gaps, to provide

technical assistance to strategically plan for and address those gaps, and to recommend an intervention package to address priority performance shortcomings/gaps.

The program commenced in September 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 FORECAST partner organization, the Center for Training and Consultancy (CTC). The first phase of the assessment (September 7-13, 2009) was focused on initial in-briefs, in-depth interviews with internal and external stakeholders and institutional mapping exercises. During this primary phase the following tasks were completed:

- Assessment team orientation and planning (international providers were paired with the senior staff of the local partner organization - CTC);
- In-briefs with the Minister and the First Deputy;
- Interviews were held with MEPNR agencies and department heads, advisors and professional staff;
- Meetings with external stakeholders (mainly within the local NGO sector and international agencies);
- Formulation of preliminary findings;
- Team analyses and mid-point planning meeting.

During the second phase of the performance assessment (October 3-10, 2009) in-depth analyses of key organizational processes were carried out. Based on the gathered information key processes were mapped out and initial recommendations drafted.

In parallel, two team members (one international and one local) undertook field visits in the regions (Borjomi and Telavi) to visit the MEPNR departments that are located outside of Tbilisi: sub-office of general environment inspectorate, preserved/protected areas and forestry units. The field visit aimed to assess management systems and effectiveness of communication with the HQ through interviews with the local staff and their supervisors.

On October 26, 2009 KNO submitted to FORECAST the final report on the basis of which further interventions were identified.

At the beginning of December a meeting was held with the leadership of the Ministry to discuss and prioritize the identified interventions. Following is the list of the interventions under discussion:

1. Technical Assistance for the HR department;
2. Technical Assistance for IT strategy development;
3. Assistance with finalizing Strategy Plan document;
4. PR and communication training for the media representatives;
5. Training in Project Management and Monitoring and Evaluation;
6. US study tour for general inspectorate staff.

The final decision on the interventions will be made in the nearest future. Currently the Ministry is undergoing the reorganization process, and the newly appointed Deputy Minister who was put in charge of international programming has requested some time before coming up with ultimate solutions to be included in the intervention package.

GOVERNMENT TRANSPARENCY, ACCOUNTABILITY AND RESPONSIVENESS TO THE PUBLIC

MUNICIPAL SERVICE PROVIDERS ASSOCIATION (MSPA) AND MUNICIPAL FINANCE OFFICERS ASSOCIATION (MFOA)

The goal of the MSPA & MFOA HICD program is to improve the overall performance of the associations in meeting their short- and medium-term goals. The first phase of the program, assessment and the technical assistance, aimed to define management and programming gaps at the MSPA and MFOA, to provide technical assistance to strategically plan for and address those gaps, and to recommend an intervention package to address priority performance shortcomings/gaps.

The activity was conducted in July 2009 by Ms. Elissa Myers and Mr. Richard Dorman, two international consultants with practical and theoretical experience in association strategic management. The international consultants' team was supported by the IQC Category I local partner, consortium of three organizations: Partners Georgia, UNAG, and ARC.

The project team worked intensively with the MSPA and MFOA senior staff (the presidents, the executive directors, and the board members), as well as various international and local stakeholders (including GoG representatives) to thoroughly assess and develop the capacities of the associations to more effectively undertake activities in support of their goals and missions.

After receiving the final assessment report from the assessment team, FORECAST developed an intervention package that included three prioritized interventions:

1. Short Term Survival: Immediate Revenue Development; Membership Building;
2. Assist MSPA to obtain and put in place “association management” and “financial” software, integrated with its web site;
3. Assist MSPA to develop an Issues Management by Objectives Program.

The first intervention took place December 2-18, 2009. The objective of this intervention was to assist MSPA in developing, packaging, and promoting programs and services that support the real needs of the cities/municipalities in Georgia, and generate revenues that will allow MSPA to survive, and position itself to continue into the future as an independent, sustainable organization that fosters competent, citizen-based, and effective local government in Georgia.

The team of experts comprised of the lead consultant Ms. Elissa Myers and the local co-consultant Mr. Zaal Japaridze initially focused on the importance of putting in place systems and programs that will immediately generate revenues for the MSPA – systematic communication, membership-building, and the development of new products and marketing and fund-raising schemes, as well as the collection of membership renewal dues. Ms. Myers laid out a strategy for generating advertising, exhibit, and sponsorship income, and for the development of endorsed programs, as well as a system for creating incentive rewards for staff and commission-based marketers.

Ms. Myers also assisted the MSPA to develop:

- A workplan for 2010;
- A program-based budget for 2010;
- A year-end financial statement;
- A detailed proposal on the development of a rural sanitation program;
- A detailed proposal on the creation of two two-day seminars to be held in January and February in Telavi and Kutaisi on Smart Budgeting for Local Governments with follow-up consulting services;

- A detailed proposal on the creation of a seminar on Roles and Revenue for Municipalities in Creating or Managing Farmers Markets;
- A draft proposal on the creation of a task force to address Pre-Kindergarten and Kindergarten Education;
- A Strategic and Tactical Plan to attract corporate support of MSPA through advertising, exhibits and sponsorship, associate membership, and the like.

The final report was submitted to FORECAST on January 27, 2010. For more information on this program, please see *Success Stories* below.

CONSTITUTIONAL COMMISSION

The goal of the Constitutional Commission program is to support the activities of the Georgian Constitutional Commission to produce draft amendments to the Constitution of Georgia in a transparent and inclusive manner. The program consists of the following components:

Intervention I - First Session of the Editorial Working Group;

Intervention II - First Plenary Session;

Intervention III - Three Regional Working Group Meetings;

Intervention IV - Bazaleti Conference;

Intervention V - American Experts visit to Tbilisi;

Intervention VI - Second Plenary Session;

Intervention VII – Participation in panel discussion in the US.

The first component of the program, an *Editorial Committee Meeting*, was held in Batumi on August 6-7, 2009. During the two-day session the heads of the working groups presented reports about their work along with the recommendation for future changes/amendments to the constitution in their respective areas of expertise. At the end of the session, the Commission adopted a summary document outlining the main aspects of the recommended amendments to be refined and finalized further by the Commission.

The second component of the program, the *First Plenary Session*, was held in Tbilisi on September 24, 2009. During the session the Chairman and the Secretary of the Constitutional Commission presented the report on the work done as well as shared with the participants the future plans of the Commission. They also emphasized the importance of inclusion of civil society in this process. In addition, the heads of each working group reported on the work previously conducted. That was followed by voting on the issues raised as a result of the consultations.

Additionally, the *Regional Working Group Meetings* in Kakheti, Samtskhe-Javakheti, Imereti, Samegrelo and Adjara (the third intervention) were conducted in September, October and November, 2009. During these meetings the following topics were discussed:

- Imperfection of the judicial authority and direction of the reform;
- Social rights;
- Minority rights;
- Issues related to the local authority;
- Decentralization.

Following the regional meetings, a two-day conference on “*Pressing Questions of the Constitutional Reform*” was held in Bazaleti (November 13-14, 2009). The conference was attended by members of the Constitutional Commission as well as representatives of the legislative and executive branches

of the government, parliamentary and non-parliamentary opposition, non-governmental organizations (NGOs), experts, and the Georgian Trade Union Confederation (GTUC). Of note is the participation of representatives of the alternative Civil Constitutional Commission (CCC) who openly expressed their position on the reform process.

During the conference, the members of the Constitutional Commission held intensive consultations on: the necessity to toughen the law permitting changes to the constitution, regulations on socio-economic rights, and constitutional regulation of judicial authority.

The fifth component of the program, an *American Expert's Visit to Tbilisi*, took place on November 15-16, 2009. During his short visit, Professor Lawrence Lessig met not only with the members of the Constitutional Commission but also with the representatives of the non-parliamentary opposition, non-governmental organizations and the GoG. Based on the information received, Professor Lessig emphasized the necessity to move away from the current “super presidential” towards either a French or stricter parliamentary system in order to avoid further instability in the country. Of note is that all parties agreed that the constitution in its present state is unacceptable and that changes should be made. Professor Lessig also met with teachers and students from the Georgian American University as well as gave a lecture on *How Constitutional Law Becomes Constitutional: the Universal Struggle to Make Constitutions Relevant* at the University of Georgia.

On December 26, 2009 the Constitutional Commission held the *Second Plenary Session* during which the draft amendment package was presented and discussed. Additionally, Levan Ramishvili from the Liberty Institute presented his version of the draft amendment package, the so-called “American model”.

FORECAST continues working on the final intervention of the program, *Participation of the Delegation from the Constitutional Commission in Panel Discussion in the US*. The intervention is planned for June, 2010.

For more information on this program, please see *Challenges and Constraints* below.

IMPROVED DELIVERY OF SOCIAL SERVICES

NATIONAL CENTER FOR DISEASE CONTROL – PA

The objective of the NCDC performance assessment and technical assistance intervention was to define performance gaps at the center, and to provide technical assistance to strategically plan for and address these gaps. The first phase of the program took place November 9-18, 2009. Consultants from World Services, Ms. Sandra McCormick, Ms. Mary Anderson, and Ms. Maureen Jameson together with the local consultants (IQC Category I local partners) conducted a survey of the NCDC's internal and external stakeholders, including the Ministry of Labor, Health, and Social Affairs, the NCDC staff, laboratory staff, and other health care providers and policy makers. Meetings and interviews were held in Tbilisi, Kutaisi and Batumi, including visits to the Imereti Zonal Epidemiology Station and Batumi Plague Station.

During the interim stage between the first and the second phases, the team of local category I consultants contracted by FORECAST conducted 10 focus group sessions and surveyed 118 NCDC staff using those data collection tools that were developed in collaboration with the international experts during the first phase of the assessment. The survey was completed in mid December, 2009, and the results of the survey were analyzed during the preparatory stage for the second phase of the program (January 18-22, 2010). At the beginning of this phase, the World Services consultants held a meeting with the leadership of NCDC where the findings and

recommendations from the first phase of the assessment were presented and reviewed. It should be mentioned that, given the limited time for the intervention and the relative size of the NCDC, the consultants had to focus on priority issues (2-4 key recommendations) as well as on creating a strategic plan for implementing immediate changes at the Center.

The second/final phase of the assessment is scheduled to take place on January 20-21.

PHYSICIANS WITH HEART MEDICAL EDUCATION SYMPOSIUM

Since Georgia's independence from the Soviet Union in 1991 and the country's subsequent political elections, the country has launched a series of reforms aimed at strengthening the economic and healthcare infrastructures. In January of 2007, the Government of Georgia (GoG) adopted a new Hospital Development Master Plan that mandated the privatization of all but a handful of hospital facilities. In addition to hospital privatization the government ultimately plans to privatize 900 public health care (PHC) facilities in rural areas as well as all existing facilities in cities and regional centers. Although health reform issues such as the privatization of health facilities and the implementation of health insurance schemes are long-term, large-scale programs, there is an immediate need to address the concerns of local physicians by providing training relevant to the current health care reform situation. To meet this need, on November 4th and 5th Physicians With Heart through the FORECAST assistance hosted a two day symposia with a focus on Family Practice Management. The goal of the symposium was to foster the development of family medicine and improve the functioning of family medicine practices in Georgia, in light of the current privatization reform.

The program for the seminar was jointly developed by the Physicians With Heart, Tbilisi State Medical University and the Georgia Family Medicine Association. The Minister of Labor, Health and Social Affairs of Georgia, Mr. Alexander Kvitashvili and the new Rector at Tbilisi State Medical University, Professor Zurab Vadachkoria, opened the two-day symposium. Leading medical instructors, residency directors, and practicing family physicians from the United States participated in the symposium to open a dialogue with their Georgian colleagues on how to develop family medicine as a specialty in the country. In total, approximately 160 participants were given the opportunity to share their views and concerns about the Georgian healthcare system, family medicine development in Georgia and worldwide, primary care role and value of family medicine. The family practice management sessions covered such topics as collaboration between PHC facilities and hospitals, introduction of the Evidence Based Medicine, basics of the Patient-Centered Medical Home, types of medical practices, creation of a high performing clinical team and the impact of patient satisfaction on health care outcomes.

INFRASTRUCTURE DEVELOPMENT AGENCY (ESIDA)

The Educational and Scientific Infrastructure Development Agency (ESIDA) was established in January 2009 as a Legal Entity of Public Law under the Ministry of Education and Science (MoES). The mission of the agency is to support the provision of quality education through the renovation and construction of infrastructure in schools, universities, and scientific institutions, and the introduction of modern technologies in public secondary schools and Educational Resource Centers (ERCs). For all intents and purposes, the Agency is the conglomeration of the MoES' *Iakob Gogebashvili* (infrastructure) program, and the *Dear Leap* (ICT) program, both of which have been run as separate MoES entities for the past five years.

The FORECAST program is to improve the general education infrastructure and ensure a more fair, transparent and fact-based decision making process in school construction and infrastructure rehabilitation in Georgia according to modern standards. FORECAST is working with the ESIDA,

the MoES, and stakeholders to assess the current legal and technical framework as well as capacities of the ESIDA and stakeholders to develop and implement a new standards regime. At the same time the program will determine the needs-based criteria upon which Education Resource Centers (ERCs), local communities, and the MoES will evaluate, prioritize and recommend infrastructure rehabilitation and construction works for educational facilities, and upon which the ESIDA will make decisions regarding those rehabilitation and construction works. Additionally, as a function of developing the School Construction and Rehabilitation Master Plan, the program will develop core processes including the identification and (re)assignment of functions, responsibilities and authorities; defining timelines; developing the necessary templates/forms and systems; and establishing communication channels to better allow the institution to solicit information from the schools, and prioritize and make decisions regarding works to be undertaken each year.

The following are the program components:

Intervention I – Study Tour for Improving the Institutional Capacity of the ESIDA;

Intervention II – Technical Assistance on the Development of Modern School Rehabilitation and Construction Standards;

Intervention III – Technical Assistance on the Development of School Rehabilitation and Construction Master Plan.

Intervention I (*Study Tour*) – completed.

On January 11-16, 2010 two representatives from ESIDA and two from the Union of Architects of Georgia (UAG) participated in the *Learning and Technology World Forum* and *British Education and Training Technology Show (BETT)* in London. The goal of the intervention was to improve the institutional capacity of ESIDA and its stakeholders to undertake and systematize more advanced activities related to educational infrastructure development and planning according to internationally accepted standards. During the exhibition participants explored recent achievements and experiences in modern technology and school infrastructure development.

According to ESIDA, the study tour was very interesting and productive. The participants met with representatives of the *Partnership for Schools* organization which coordinates the UK national program, *Building for Future Schools*. During the meeting, the participants were acquainted with the British program activities, standards, guidelines, and monitoring procedures that were established to support school infrastructure development in the UK. The delegation also met with the managers of the Microsoft *Partnership in Learning* program and discussed the new hardware and software packages that will be installed in Georgian schools in the coming future. Additionally, the Georgian delegation visited the New Line Learning Academy, a visit organized by the Microsoft Academic Program managers for a limited number of participants. The participants explored modern learning environments, new UK programs, assessed the school's technology readiness for better education, and attended a presentation on using modern information and communication technologies in the classroom.

On the whole, the information and knowledge gained from the seminars, meetings and school visits gave the Georgian delegates a better understanding of how to respond to and explore optimal solutions for the needs and requirements of modern teaching and learning methodologies in the country. This should set an appropriate and relevant base for the future development of ESIDA's capacities through the FORECAST program.

Component II and II will be implemented in the coming months.

PROGRAM AND PROJECT SUPPORT (PPS)

MINISTRY OF REFUGEES AND ACCOMMODATION (MRA) – TA

The goal of the program is to contribute to building the capacity of the Ministry for Refugees and Accommodation (MRA) in developing and effectively operationalizing the GoG *Action Plan for the Implementation of the State Strategy for IDPs*. The project is being undertaken by international experts Mr. Guy Hovey and Ms. Erin Mooney, with the assistance of local project officer contracted by FORECAST.

The first phase of technical assessment at the MRA, conducted by Mr. Hovey and Ms. Mooney with the assistance of a local project officer contracted by FORECAST, took place in February-March, 2009.

The first phase identified a number of capacity gaps in the MRA and formulated recommendations for addressing them. These findings were discussed and endorsed by MRA and were also validated and strongly supported by MRA's main stakeholders in the international community and GoG. Indeed, a number of international partners of the MRA based their own capacity-building programs with MRA on the FORECAST findings and recommendations; this not only entailed a broader range of support for MRA but also ensured that these efforts were coordinated and mutually reinforcing. For example, the findings and recommendations of the FORECAST project inspired and informed the EU-funded Danish Refugee Council's 18-month project of capacity-building support for the MRA on IDPs, which will build upon and initially rely heavily upon the FORECAST project. The FORECAST project also served to catalyze not only renewed confidence in the MRA but also concrete commitments of capacity-building support, based on a common analysis of needs, and a more coordinated international response to addressing those needs.

FORECAST's areas of focus for contributing to the collaborative effort of strengthening MRA capacity-building (in the second phase), fell into 4 intervention areas:

1. Technical Assistance at the MRA in key strategic areas central to operationalizing the IDP Action Plan;
2. Database and IT Strategy Development, providing technical advice to the MRA;
3. Communications;
4. Human Resources management.

Intervention I (TA Phase 2 at MRA) – Completed.

Intervention II (MRA Information Technology Development and Strategy Design) — In progress.

The project on the MRA IT Strategy Development commenced on November 12, 2009. The main aim of the project was to enhance expertise and increase capacity (human and technical) of the MRA for the collection, organization, management and dissemination of data. The local company BIT was selected through a competitive bidding process for implementation of the Technical Assistance and development of MRA's IT Strategy design. The main priorities identified during the project were as follows:

- Information the MRA required to lead implementation of the Action Plan on IDPs;
- How to obtain information utilizing new and existing sources;
- Identifying an appropriate database platform to store and retrieve the information;
- Design of the database;
- Software and hardware requirements;

- Training and operational requirements;
- Appropriate financial and intellectual support requirements.

In order to ensure efficient achievement of the project goal, activities were divided in several stages:

- **Stage 1** – Study business processes and create diagrams for each process;
- **Stage 2** – Formulate business requirements for software solutions;
- **Stage 3** – Define IT infrastructure recommendations;
- **Stage 4** – Create IT development plan for MRA;
- **Stage 5** – Prepare budget estimates for IT components;
- **Stage 6** – Prepare recommendations for IT staff;
- **Stage 7** – Prepare a Final Report.

During the first week of the project BIT mapped business processes for the new reception centre of the MRA and drafted the software recommendations for them. In addition, an outline of the MRA IT Strategy document was prepared.

In the following weeks, BIT continued to implement the main activities included in the project:

- Mapping business processes;
- Detailed description of main MRA procedures;
- Description of business processes related to key MRA functions;
- Creation of charts for business processes of the MRA reception centre;
- Elaboration of the budget required for efficient functioning of the reception center;
- General analysis of MRA IT Infrastructure;
- Elaboration of the final recommendations for MRA IT Strategy (including IT infrastructure).

A description of the main business procedures of the MRA as well as the main software requirements and projected costs were agreed between BIT and key MRA staff. The intervention is scheduled to end in January 2010, and BIT will submit the draft final report of the project shortly thereafter. For more information on this program, please see *Challenges and Constraints* below.

Intervention III (Development of External/Internal Communications Strategy at the MRA) — In progress.

In order to improve the internal/external communications of the MRA and increase communication skills of key MRA personnel, a two month joint project was implemented by Partners Georgia and GePRA which were selected through a competitive bidding process.

The project included two main components: 1) a comprehensive training program conducted by Partners Georgia; and 2) the development of an MRA Communication Strategy document (comprising of a 3 year Communications Strategy document and a 1 year Communication Strategy Action Plan) by GePRA. The main tasks of the project are the following:

- To define the project target groups among MRA employees working on central and regional levels;
- To assess the capacities and needs of project target groups and define the relevant types of technical assistance;
- To develop the MRA Communications Strategy Document;

- To deliver tailored communication trainings to the project target groups.

As a result of the consultations held with MRA key staff the following trainings were conducted by Partners Georgia:

- Effective telephone communication with beneficiaries, for MRA Hot Line Personnel, July 16-17, 2009;
- Effective communication with beneficiaries, for MRA structural Units responsible for direct communication with IDPs, July 23-25, 2009;
- Effective communication between MRA structural units (including regional employees of MRA), July 20-22 and July 28-30, 2009;
- Interrelations with mass-media and public speaking for Minister, his Deputies and Advisors, September 15-18, September 28-29 and October 2, 2009.

In addition to key MRA personnel, the above topics were identified by Minister Koba Subeliani as important issues for the Ministry's efficiency.

Apart from the trainings, in order to improve the effectiveness of the MRA's work and its communication units and to make Public Relations (PR) more effective, a Communication Strategy document was developed. The document detailed a comprehensive set of recommendations on systems, channels and instruments needed to meet the requirements of the different target groups.

Two retreats with MRA staff were held (in mid-July and mid-September) on communications issues. The participants of the meetings included key staff from all levels of the MRA (including the Minister at the September retreat and heads of regional offices at both retreats). The specific objectives of the September 12-13 retreat were: (i) to provide comments and recommendations on the draft versions of the Communication Strategy documents; (ii) to agree on the basic importance of PR and to develop PR strategies; as well as (iii) to develop team working and internal communication skills. The concrete issues discussed during the retreat included: process of Communication Strategy elaboration, SWOT analysis of the communication process, communication values, strategic vision, communication mission, strategic framework, objectives and expected outcomes, communication matrix, recommendations on internal communication and organizational structure and evaluation systems of strategy implementation.

In addition, the facilitators conducted several team-building exercises the main aim of which was to develop team working skills. Each exercise was analyzed by the participants and lessons relevant to the Communication Strategy and Strategic Communications Action Plan were identified.

The recommendation/notes provided at the retreats were taken into consideration during preparation of the final version of the Communication Strategy documents. The facilitators agreed on a final version of the Communication Strategy document with MRA senior staff. According to the MRA Communications Strategy document, the following strategic objectives defining the informational interrelations between MRA and society were identified for the next three years:

- Maximum accessibility to information and transparency of MRA and services;
- Dialogue-communication stimulating involvement;
- Effective organization of MRA communication processes.

The detailed one year action plan that was based on these Strategic Objectives will act as guidance for the MRA PR Team. The AP includes the mechanisms for pro-active monitoring and evaluation as well as job description guidelines and a comprehensive and detailed implementation schedule.

Partners Georgia and GePRA submitted the final report on the project on October 25, 2009. For more information on this program, please see *Success Stories* below.

Intervention IV (Development of HR Management Systems at the MRA) — In progress.

Technical assistance (TA) at the MRA in developing its HR department and HR management systems was implemented by the selected provider, CTC, October 2009 -January 2010. The project aimed to assist the MRA in conducting a comprehensive program of HR support and strengthen/modernize the existing HR management and procedural systems including HR mapping, the development of job descriptions, and the drafting and finalization of an MRA HR manual.

The project was launched on October 5, 2009 and is planned to be finished at the end of January 2010. In the second week of the project CTC conducted a four-day HRM Training/Workshop with participation of the MRA Personnel Division, Legal Support Division, Administrative Department and International Affairs Department. The main topics of the training included the following:

- HR management systems and their components;
- Methods of job analysis;
- Job descriptions and format;
- Staff motivation, the leading theories of staff motivation;
- Application forms;
- Staff recruitment/methods;
- Job evaluation;
- Staff development;
- Planning staff development;
- Work processes;
- Design procedures;
- Work plan.

At the end of October, CTC held a meeting with the Ministry's Administrative Department during which draft versions of the HR Manual as well as draft forms of Staff Electronic Data Base, Job Description, Job Application, Job Announcement, Staff Development Record and Annual Training Plan were presented and discussed. As a result of the meeting, a working group was created at the MRA to cooperate with CTC regarding project related issues.

At the beginning of November, 2009 CTC began to elaborate job descriptions for IDP Department employees based on Job Interview Questionnaires. In addition, meetings were conducted with several departments of MRA (Legal Department, Financial Department, Migration, Repatriation and Refugees Department, Administrative Department) in order to discuss and agree on the planned HR Management activities.

In December, 2009 CTC conducted two workshops with staff from the MRA Personnel Division as a result of which the final draft of the HR manual was prepared. In addition, an Activity Plan was developed for the process of Job Description preparation for the rest of the MRA staff. The Activity Plan identified steps and timescales for each MRA department according to their responsibilities, time schedule and ongoing responsibilities.

In January, 2009 CTC plans to conduct a final workshop with the participation of heads of MRA departments. The aim of the workshop will be to make the final changes/additions to the HR manual, Job Descriptions for IDP Department and plan for elaboration of job descriptions for other MRA departments on the comments/notes received during the workshop.

CAPACITY-BUILDING OF DGP AND IPPD CANDIDATE RECIPIENT ORGANIZATIONS

The USAID *Development Grants Program* (DGP) was established by Section 674 of the US Congress Consolidated Appropriations Act of 2008 (H.R. 2764). The DGP is intended to expand development relationships between USAID and private voluntary organizations (PVOs) and indigenous non-governmental organizations (NGOs) that have had limited experience working directly with USAID.

Upon identification of potential recipients, USAID, Georgia carried out pre-award surveys to ascertain that the prospective awardees have adequate administrative and financial systems to protect and manage USG/USAID funds. The surveys revealed compliance gaps for each organization, and provided recommendations for improvement. Based on the findings, USAID imposed special award conditions to each of the recipient candidate NGOs, with timelines of 90 days for the candidates to take corrective actions.

To develop organizational capacities of the local organization to manage and account for the USG funds, FORECAST selected UNAG as a TA provider. During the course of the intervention (November 2009-January 2010) individual and group trainings as well as practical studies with each NGO were conducted to ensure proper application of new systems and procedures. With the assistance of the service provider, all of the DGP and IPPD candidates (GIPA, PSI, GWF, APDT and GCCW) have made the necessary changes and adjustments in their internal systems, procedures and policies in order to comply with the special conditions of their cooperative agreements. The effective and efficient design and implementation of the program ensured meeting of set deadlines by all five NGOs.

The follow up visit from the USAID Finance Office took place in early January. All of the organizations were evaluated against the special conditions set in their pre-award agreements; all organizations successfully passed the audits; and all of the special conditions were recognized to be fully met and in compliance with the terms of the pre-award agreement.

MINISTRY FOR REGIONAL STRATEGY DEVELOPMENT (SMR)

The goal of the program is to support the activities of the State Ministry for Reintegration (SMR) to develop the *State Strategy on Occupied Territories*, and *Action Plan for Engagement of Occupied Territories*.

The program consists of the following four interventions:

Intervention I (Working Group meetings) – All five components completed.

The first component of the first intervention, “*Meeting of Working Group I*”, was held at Bazaleti on October 23-24, 2009. The initiative to assist the Ministry in the state strategy development process was strongly supported by the GoG partners and local experts. During the two-day session, the working group members shared opinion on strategy development methods. The following topics were discussed:

- State strategy on occupied territories of Georgia;
- Economics and trade;

- Free relocation and the ways of information delivery;
- Health care and education;
- People to people contacts;
- Cultural heritage.

The second component, “*Meeting of Working Group IP*”, was held at Georgian Foundation for Strategic and International Studies (GFSIS) on November 28, 2009. The meeting was attended by representatives of UNHCR, USAID, NRC, the Institute for Conflict Analysis and Resolution, the Swiss Agency for Development and Cooperation and other NGOs. The Vice-premier, State Minister for Reintegration Mr. Yakobashvili presented the vision of the GoG regarding the *State Strategy on the Occupied Territories*. Based on the feedback received from the international community, the SMR developed a draft Strategy which was published for further consultations.

Additionally, in December three similar meetings were held with the GoG partners, local experts and the ambassadors of those countries that actively participated in the strategy development process. On these meetings the Minister presented the revised draft strategy to the partners for review and discussion.

Intervention II (SMR Strategy Development) – The intervention is planned to begin in February. Mr. Jonathan Kulick was selected as a service provider for the program.

Workplan Development

As with the previous year, the FY 2010 FORECAST/Georgia workplan was divided into the following categories:

1. *Category I* target institutions and programs that are recommended for approval for implementation in FY 2009:
 - a. *HICD programs* - institutional assessments and performance improvement interventions;
 - b. *Partial HICD programs* - performance improvement interventions;
 - c. *Exceptional requests* – programs already approved by the mission on an exceptional basis – largely one-off training or non-HICD programming;
2. *Category II* target institutions and programs that may be recommended for implementation later in FY 09, but further information is needed for program development and/or final status determination.

FORECAST and the FORECAST COTR held consultations with the mission leadership technical offices, and as a result the FY 2010 workplan was drafted and submitted for consideration by the mission in November, 2009. The workplan was approved on December, 2009.

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

III. LOCAL PARTNERSHIPS

Georgia

Activities undertaken by CTC at MEPNR during the reporting period include:

- Participation in program strategy meetings with the Minister;

- Participation in fact-finding meetings with other key staff of the ministry (Head of Policy Department, Advisor of the Minister, heads of departments at the National Environmental Agency);
- Conducting interviews with the ministry staff: Head of HR division, Head of Chancellery, Chief Specialist of Chancellery, Head of Permits Department, Head of Administration of the National Environmental Agency;
- Analyzing documentation (legislation, ministry charter, draft environmental code);
- Internet search and analyses of the models of structures and mission/strategy directions in other countries, like: Israel, Germany, Bulgaria;
- Analyzing data collected at team meetings;
- Conducting meeting (together with the independent environmental expert invited by CTC) with a head and experts of policy division for identification of difficulties in the report procedures for defining the environmental targets;
- Collecting the data of the initial documents needed for defining the environmental targets;
- Drafting process maps (processing of documentation, license and permits);
- Reconfirming the process maps with relevant staff at the ministry;
- Contributing to the formulation of interim findings and recommendations.

The activities undertaken during the reporting period by the local assessors of NCDC, a consortium of three organizations (Partners Georgia, UNAG and ARC), include:

- Interviews with the heads of NCDC departments as well as with NCDC regional staff members conducted;
- Survey carried out among 118 institution respondents;
- Data, collected through interviews and survey, analyzed;
- Focus group sessions held;
- Internal regulations of NCDC reviewed (its structure, and the existing job descriptions as well as the analysis of the legal documentation related to the NCDC's work);
- Online consultations (conference call) with international consultants held;
- Reports submitted.

IV. SUCCESS STORIES

Georgia

Ministry of Refugees and Accommodation (MRA) Adopts Communications Strategy

Within the scope of the FORECAST Project on Internal/External Communications Strategy MRA developed and adopted a Communications Strategy document (that includes their three-year Communication Strategy (through 2012) and one-year Communication Strategy Action Plan) in July - October 2009.

Based on the Communications Strategy, the MRA began to carry out the FORECAST recommendations on restructuring the PR Unit which is responsible for process of information preparation and documentation within the MRA as well as outside of the Ministry. According to the recommendations developed, several staff changes were made. Namely, the MRA hired a Media Manager and Web Manager for their PR Division in October and November of 2009. In addition, special training programs were designed for increasing the MRA personnel (including regional representatives of MRA) qualifications.

In addition, the MRA has put into practice the following changes according to the Communication Strategy Action Plan:

- Reporting system according to which MRA staff and departments produce weekly reports and plans for the coming week;
- Weekly staff meetings during which results and plans of the different departments are shared.

Further recommendations elaborated within the scopes of the project and implemented by MRA include:

1. *Use of modern information technologies;*
 - 1.1. Web-site created and publicized according to modern design (completed);
 - 1.2. Newsletters (completed/initiated);
2. *Improvement of interrelations with mass-media;*
 - 2.1. Regular media activities, such as: press-conferences, briefings (in progress);
 - 2.2. Strengthening cooperation with journalists, such as: media tours in IDP CCs, workshops for journalists, open door days for journalists, media contests (in progress);
3. *Increase the level of information distribution;*
 - 3.1. Establishing information points in Collective Centers (completed);
 - 3.2. Preparation of printed information materials (on regular basis);
 - 3.3. TV/Radio broadcasts and advertising videos (in progress);
4. *Carrying on dialogue on MRA reforms;*
 - 4.1. Public meetings with NGOs, students and politicians (in progress);
5. *Increase use of modern information technologies for public involvement;*
 - 5.1. Dialogue through web page (in progress);
6. *Carrying on dialogue on service provided by MRA;*
 - 6.1. Public meetings (in progress);
 - 6.2. Telephone center and reception (in progress);
7. *Structural improvement of PR Division;*
 - 7.1. Structural changes (completed);
 - 7.2. Staff analysis (in progress);
8. *Increase qualification of PR Division employees;*
 - 8.1. Trainings (completed);
9. *Improvement of internal communication on horizontal and vertical levels;*
 - 9.1. Intranet of MRA (common folders in network) (in progress);
 - 9.2. Arrangement of meetings with SMT (completed/initiated);
 - 9.3. development of a daily reporting system between Minister and PR Division (completed/initiated);
 - 9.4. Organization of internal research (in progress).

Short Term Survival: Immediate Revenue Development; Membership Building (MSPA)

On December 15, 2009 an MSPA board meeting was held, where:

- The Board discussed the Rural Water Sanitation proposal, and voted to establish a Task Force on Rural Sanitation;
- The Board agreed to establish the concept of member/non-member fees for attending MSPA Conferences and Seminars;
- The Board agreed on the importance and value of bringing corporate involvement in to MSPA;

The meeting was attended by Ron Bergman, Resident Budget Advisor of the US Treasury, and ex-chairman of the International Committee of the International City Managers Association (ICMA). He invited MSPA to affiliate with ICMA and outlined various benefits of the affiliation. The MSPA Board voted to sign the affiliation agreement.

That same day the MSPA conducted a meeting with the representatives of 15 private companies involved in municipal service provision in the city of Tbilisi to present sponsorship opportunities and benefits to join the association. As the result, three companies, Dutch Design Garden, Europlant Georgia, and Eris Imedi, immediately agreed to join MSPA as “platinum” members and pay 5,000 GEL in annual membership fees. Special offers/proposals were developed for these companies and discussed with them.

Of note is that the majority of the attendees also stated that they will join MSPA as associate members (1,000 GEL annual fee) starting from January. On average MSPA expects to receive up to 25,000 GEL from associate members in 2010.

International School of Economics (ISET)

In December, 2009 FORECAST staff undertook a follow up visit at ISET. It became evident that the financial and administrative staff is actively pursuing the recommendations provided by the Component II providers. Most of the changes that ISET is going to undertake require board approval. Therefore, the following issues are currently prepared to be presented to the board for their approval:

1. Hiring Grants Manager for appropriate management and oversight of grant funds and for addressing internal control compliance issues;
2. Adoption of Grants Manual that was developed together with the providers during the intervention;
3. Amendments to the ISET Policies and Procedures Manual. The majority of changes that will be made refer to the procurement policy, per-diem policy, personnel administration (vacation days, timesheets) and financial reporting.

Additionally, ISET has accepted the audit strategy proposed by FORECAST. They have conducted consultations with donors and came to an agreement to undertake a less complicated and costly audit at this stage. ISET has already identified a US-based audit company and negotiated a scope of work with them to conduct the annual audit.

Georgian Accreditation Center (GAC) Elaborates Workplan and Signs Contract with the European Co-operation for Accreditation (EA)

During the technical assistance at GAC program, the GAC management, with the assistance of the FORECAST international experts, elaborated a *Work Plan for the Georgian Accreditation Center*. This work plan focuses on those issues (seventeen in total) that GAC needs to perform in order to meet international requirements in the field of accreditation. According to the GAC General Director:

- *GAC has begun elaboration of a new GoG policy on traceability of measurements;*
- *GAC finalized preparation of changes in management system documentation;*
- *Implementation of new requirements of management systems has begun; new forms and templates for assessment and expert evaluations are already introduced and put in process;*
- *Training of GAC staff and technical experts is in progress;*

- *Statutes of Technical Committees for testing labs, clinical labs, calibration labs, product certification, personnel certification and system certification are elaborated and agreed; members of TC are identified and approved.*
- *Georgian and English versions of the GAC website are already functioning;*
- *Four ILC/PT programs are chosen and organizational work is in progress.*

Additionally, on November 25, 2009 a Cooperation Agreement was signed between EA and GAC at the EA General Assembly. The GAC's cooperation with EA began in 2008. However, at that time GAC was not ready for EA membership. FORECAST therefore assisted GAC to undertake the necessary institutional performance improvements. As a result of the TA activity (implemented within the scope of FORECAST project April-May, 2009) and based on the recommendations received, GAC revised its Quality Management documentation in accordance with the EA requirements, adopted international standards for process and facility assessments, accredited a pharmaceutical company in lab standards (ISO 17025) and the like. This was followed by the submission of the application for EA membership. The GAC procedures and activities were positively evaluated by the EA Committee and the Cooperation Agreement was subsequently signed between the parties. This will greatly assist Georgia to enter negotiations with the EU on signing a Free Trade Agreement.

V. CHALLENGES AND CONSTRAINTS

Georgia

During the reporting period FORECAST Georgia faced the following challenges:

1. Although the establishment of the Advancement and Communication Unit at TSU was anticipated for the late fall of 2009, this process has been extended/delayed. Thus, FORECAST has had to postpone the issuance of the RFP for the third intervention, *Development of the Alumni Office at TAS.*
2. The management of NEAC applied to FORECAST with a request to redesign the scope of the remaining intervention and to undertake TA on Database Development instead of the originally-proposed IT Solution Activity for Work Processes and Data Management in order that the institution may to better track student registration, enrollment/migration, and faculty activity, deemed a priority by the NEAC following their recent change in leadership.
3. The director of NAEC, Maya Miminoshvili submitted an official letter to FORECAST where she stated that due to the business of the center NAEC was not able to implement a number of the recommended interventions. She also stressed that due to the same reason they can not commit to the establishment of the HR unit which was one of the main requirements for the implantation of this intervention. Therefore, she requested to cancel the program. Her request has been discussed with USAID and approved.
4. Although initially it was assumed that the Constitutional Commission program would end by the end of December, 2009, the Commission requested to move the remaining component to June, 2010 when the working process on the amendment package is completed.
5. According to BIT, final approval of the described business procedures by key staff of the MRA was extended due to significant staff changes (release and (re)recruitment) done by the Ministry from the beginning of 2010;
6. In early 2009 FORECAST explored the available options in assisting the Government of Georgia to develop a national strategy on physical fitness in schools. With financial resources provided by USAID, FORECAST has made it clear that it will support this initiative by bring international experts to Georgia to work with stakeholders on the

development of both technical and policy issues related to a new strategy on promoting physical fitness and healthy lifestyles in schools.

However, FORECAST feels strongly that the involvement of the international experts will not be sufficient without the active involvement of a governmental working group, which should be created from the representatives of the Ministry of Education and Science, the Ministry of Health and Social Welfare, the Ministry of Culture and Sport, and others stakeholders not directly associated with the government. Unfortunately, no effort has been made to create such a working group. USAID has been informed of, and agrees with the FORECAST approach to this issue.

FORECAST has subsequently been advised by the mission to put this activity on hold. There is a possibility that this program may be used as a support for a recently declared initiative at the Ministry of Education and Science of Georgia to include a sports oriented approach into the secondary education process.

VI. 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. FoF is 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 participants' action plans.

www.mediaeducation.ge, *News, Information and Educational Resource Website on Media for Students, Teachers and Professionals*

In December 2008, representatives of the Georgian Institute of Public Affairs (GIPA) and the Caucasus School of Business (CSB) submitted a request for FoF to FORECAST. The application was subsequently approved by the Mission in February 2009. The goal of the project is to establish mediaeducation.ge, news, information, advisory and training forum for journalism and media students, teachers and professionals in Tbilisi, Georgia. mediaeducation.ge will carry information about: academic and training programs in the field of journalism, media management, public relations and communication, as well as creative media programs announced by Georgian universities and training organizations; international media education opportunities abroad; loans and fellowships, internships and jobs; competitions available to the citizens of Georgia. The project will collect officially-released information and will provide in-depth descriptions of academic and training programs, interviews with education administrators and program participants, video footage and audios of important press-conferences and sites. The website will have an expert blog explaining media education and employment trends, program requirements, legislation and other relevant issues. The total budget amount of the project is \$9,997.27. The timeframe of the project is February – October 2009.

To facilitate this project, the applicants hired as a project director Ana Keshelashvili. Ms. Keshelashvili wrote a Request for Tenders to design a website, contacted potential bidders and provided them with the necessary information and consultations. The project collected three bids by June 10 from Omedia Studio, LLC Pixel and Neuron Studio ltd.. Based on the proposed timeline and budget, the Neuron Studio was selected as the best bidder. This company created the website engine and interface. Additionally, according to the applicants:

The project obtained permission to translate and publish select articles from IJNet, a resource website in journalism run by the International Center for Journalists (US). The webmaster has uploaded and posted on the website: a story from IJnet; description of existing academic programs in journalism at different Georgian universities; links to scholarships, vacancies, competitions and trainings; links to online libraries containing books that might be of interest for journalists; stories about the news in Georgian media written by the journalists who work with the project. Also, the project has obtained consent from a long-time lecturer at the Caucasus School of Journalism and Media Management, Assistant Professor of Ken State University (Ohio, USA) to contribute to the expert blog section.

On September 2, 2009 the applicants submitted the final version of the website to USAID. The mission PR department made some suggestions regarding the website design and structure, and based on that guidance the website's content was updated.

On November 25 the final version of the website was presented to Universities, government officials, NGOs, international donors, and the Georgian public. The final report was submitted to FORECAST on December 10, 2009.

VII. 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.

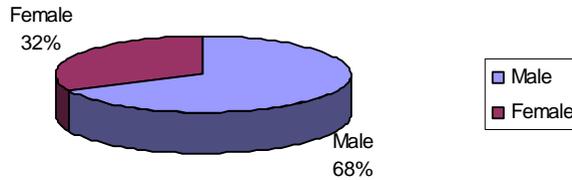
During the reporting period, **FORECAST/Georgia** has not signed or processed any PPS agreements.

VII. 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.

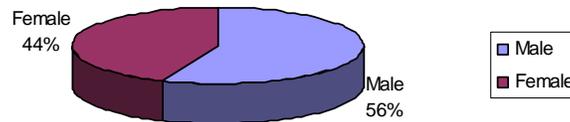
During the reporting period **FORECAST/Georgia** processed 672 participants, out of whom 212 were female (32%) and 460 male (68%).

FORECAST/Georgia pax processed during the reporting period



The total number of the participants processed to date is 2,119 of whom 932 (44%) were female and 1,187 male (56%).

FORECAST/Georgia pax to date



VIII. 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 did not procure services from any MSIs or HBCUs.

IX. ADMINISTRATIVE OVERVIEW

Georgia

HR/Personnel

In November, 2009, Ms. Nino Bigvava resigned from the position of Training Officer and was contracted by FORECAST as a local Project Officer for the one year *Educational Scientific Infrastructure Development Agency (ESIDA)* program.

At the same time, FORECAST recruited and hired Ms. Natia Vepkhvadze as a second Organizational Development Officer, a position that was vacant since September, 2008 when Ms. Elene Jibladze resigned in order to obtain the doctoral degree from the Central European University Budapest, Hungary.

Procurement

During the reporting period FORECAST purchased one laptop and three office armchairs in accordance with the WL procurement policy. All newly-procured items were labeled with USAID stickers and entered into the WL master inventory list. The laptop is dedicated to the ESIDA Program Manager, and the armchairs were purchased due to the fact that the existent chairs were in a state of disrepair from use over the years, and declared unfit for the health and wellbeing of staff.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September 2007, and approved by the CTO in December 2007. 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 COTR 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

FORECAST continues to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia. During the reporting period six partner organizations out of 32 responded. There were 10 ICT programs in total. The total number of participants was 794, of whom 546 (69%) were female and 248 (31%) male.



USAID
FROM THE AMERICAN PEOPLE

CAUCASUS
FORECAST Project

FORECAST/CAUCASUS

Quarterly Report
April - June 2009

and

Monthly Report for
July 2009

Task Order Number: RAN-I-00-05-00026-00

Task Order Period: August 27, 2007 – May 5, 2011

Submitted to USAID/Caucasus
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Attachments

Attachment I:	Progress Report for Georgia
Attachment II:	Financial Status Report

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

HOUSEHOLD BUDGET SURVEY (HBS) METHODOLOGY DEVELOPMENT

In April of 2008, USAID/Azerbaijan requested that the FORECAST program undertake an institutional development program to build on and extend the core capacities of the 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.

Initial program activities focused on the formation of the project's research group, research design, and development of survey questionnaires, and obtaining E-Views 6.0 Standard Edition software program that is a key for quality research analysis. Unfortunately, however, it was not until the ERC began its consultations with local and international partners during the late summer of 2008 that they found that the World Bank had begun planning for a similar survey that was 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. USAID approved an Action Memorandum prepared by FORECAST/Azerbaijan requesting approval for modification of the survey for the activity at no cost to the program. The other components of the program remained the same.

After approval of the survey modification, the ERC experts made trips to 30 locations in the regions of the country in December 2008 and January 2009, where they trained local surveyors and started a pilot survey process using the pilot survey questionnaire. The experts made one more trip to the regions where they checked the information received through the surveys, and worked with local surveyors to remove technical errors and gaps. Finally, the local surveyors conducted the survey using the modified survey questionnaire. The ERC experts made final trips to the regions to monitor the survey and gather questionnaires.

As a result, ERC has carried out survey among 3000 inhabitants with focus on three main areas, such as education and health; communal (utility) services and bank services. While conducting this survey, ERC was aimed to identify a level of access of Azerbaijani citizens to education and health system; communal (utility) service and bank services. The results were compiled into the SPSS program for

further analyze. The final product of the SPSS were analyzed by the E-views program and its findings were included into Final Report of the Survey. Based on these results, ERC developed package of recommendations for improvement of the State Poverty Reduction Policy. The respective stakeholders from the governmental structures were engaged into to the process of analyzing of the survey results.

The ERC experts and representatives of the state stakeholders (Ministry of Social Protection and Labor, Ministry of Economic Development, State Statistics Committee, Ministry of Finance) have met and discussed which areas can be improved. The purpose of these meetings was to introduce the project to those governmental structures and to discuss further mutual cooperation under framework of this project. The meetings resulted with agreement on involvement of the representatives of the governmental structures (Ministry of labor and Social Protection, Ministry of Finance, Ministry of Economic Development, State Statistic Committee) to the project activities in different stages, such as in the drafting process of survey application, preparing questionnaire, ensuring representation of survey, methodological issues, identifying areas needed to be developed and drafting of recommendations. Based on survey results, ERC experts and the project stakeholders from government identified areas for further improvement under framework of State Poverty Reduction program, such as education and health, communal (utility) service provision and bank services.

The results of the Household Survey will be presented at the event organized for Media outlets. The main purpose of the press conference is to present results of the Survey Findings to the public and attract the attention of governmental officials to this survey. In addition, ERC experts will give publicity to the areas that can be considered as the potential sectors for further improvement under the framework of the State Poverty Reduction Program. The ERC recommends that the GOAJ use a similar method for calculation of poverty (the poverty line is calculated as a percentage of the average or median of all resources), and individuals are “ordered” according to their incomes. This methodology will make the data more understandable in terms of poverty description. Another suggestion raised by ERC is the application of the income gap ratio which can illustrate a gap between the poverty line and the means of consumption of the poor as a percentage of the poverty line. For instance, if the income gap ratio is 35%, the consumption of the poor population falls on average 35% below the poverty line.

The Final recommendations developed in consultations with the representatives of the respective governemental structures under the framework of the “Household budget Survey Methodology Development” project will serve to strengthen the State Program of Azerbaijan for Poverty Reduction and Regional Development, as well as household budget survey methodology development, such as improvement of the diagnosis of poverty and inequality, a real description of access to communal utilities, etc.

TECHNICAL ASSISTANCE (TA) ON ENVIRONMENTAL POLICY/INSTITUTIONAL REFORM ASSESSMENT

The goal of the Technical Assistance on Environmental Policy / Institutional Reform Assessment was to assist the Ministry of Ecology and Natural Resources (MENR) in promoting cost-effective and comprehensive compliance of environmental protection standards in the air/soil/water pollution and solid waste management areas.

The technical assistance consisted of the following components:

- Stage I: US state-side review of available documentation and preliminary interviews;
- Stage II: In-country site visits, interviews, and survey administration;
- Stage III: Development of recommendations for action;
- Stage IV: Preparing and delivering Final Presentation on project results.

Upon completion of the first three stages, the provider presented their MENR Institutional Analysis report. According to the report, the framework environmental legislation that is the foundation for environmental protection in Azerbaijan is ambitious and broad, embracing many key concepts for sensible environmental policy. Moreover, Azerbaijan has ratified a large number of international treaties related to environmental and natural resources protection. The state also has in place a system of emissions fees that, *prima facie*, reflect standard practices in industrializing economies. However, there are serious gaps in the law and in implementation, most notably:

- A lack of specific risk-based standards and regulations to control discharges to surface water and groundwater from point and nonpoint sources; to control discharges to the air from stationary and mobile sources; and to regulate municipal waste generation and disposal;
- A lack of specific risk-based standards for ambient air and water pollution levels;
- Pollution permission review procedures that do not fully consider the impact of new sources on ambient air and water pollution levels or risks to human health;
- An emissions fee structure that is still denominated in old (rather than new) manat; is not transparent to polluting enterprises (applicants for ecological passports and maximum allowable discharge permits); and is applied in manner that does not provide incentives for enterprises to adopt new and innovative emission abatement technologies;
- Nonbinding rules and rules for the submission of environmental impact assessment (EIA) documentation for new enterprises;
- A general lack of accessibility and transparency in environmental laws, the review process and the fee structure.

Addressing these issues will not only enhance environmental protection, by reducing transaction costs associated with environmental planning and compliance, it will lead to a more efficient, productive and innovative private sector.

The team also examined environmental monitoring capacities and practices in Azerbaijan. Ideally the country would have a system that monitors environmental releases at the point of discharge and use ambient monitoring to determine how effective that system is at improving or protecting Azerbaijan's air, soil, water, natural systems, and built environments. The results would provide a spatial and temporal picture of pollution activities and levels. The information from the ambient monitoring system, in turn, would be used to evaluate applications for permission from new or expanding enterprises.

Consistent with earlier evaluations (performed by international organizations and international financial institutions), the consulting team found that the monitoring system suffers from ambiguous roles and responsibilities for the multiple units that are involved in monitoring. To some extent the ambiguities derive from the historical roles of the units. But some problems stem from ambiguities in the purposes of the monitoring efforts – the intended uses of the data that are collected and analyzed. The team found that the monitoring program could be improved by:

- More clearly defining monitoring methods and protocols;
- Redesigning the monitoring system in conjunction with adopt risk-based ambient and discharge standards;
- Increased use of environmental modeling for the purposes of estimating environmental risks, prioritizing problems, and making more-informed decisions;
- Clarification of roles of each monitoring unit that builds on the comparative advantages of each;

- Development of a central database to help staff coordinate and evaluate environmental information.

The team also detected two related institutional issues that MENR might choose to address. Within the organization, there is a lack of coordination and communication among units. This is manifest in the monitoring program as discussed above, but also in the process of reviewing applications for pollution permissions and in interactions (or lack thereof) between permitting authorities and inspectors. Second, externally, interactions between MENR and its collaborators and stakeholders suggest a less than optimal set of working relationships – problems that are related to concerns mentioned earlier. Enterprises, for example, grapple with information gaps (e.g., they do not understand MENR regulatory practices nor have knowledge of pollution tariffs); these problems are exacerbated by a lack of collaboration and coordination across MENR departments and offices. Considering that working relations among MENR units is suboptimal, it is unsurprising that some of the same problems crop up in MENR’s interactions with external constituencies, including not only regulated entities, but also partners in international organizations. Overall, the problems are indicative of a degree of centralization that may cause line units in the ministry to feel they do not have a major role in decision-making. This sentiment dampens units’ willingness to learn about the scope of work and practices of sister units in MENR. It also reduces prospects for collaboration among units, including on vital projects like the clean-up of oil contaminated lands. To rectify these problems, the consulting team made a series of recommends that can be found in the provider’s report.

The Lead consultant, Mr. Matthew Auer traveled to Azerbaijan for final part of the project to deliver detailed presentation on project results to USAID, international donor organizations, such as World Bank, TACIS, ADB, USAID PERS Project, also State Oil Company of Azerbaijan (SOCAR) and other stakeholders. MENR was not given the final presentation because there was no interest from their side despite number of requests and calls from USAID Azerbaijan Economic Growth Team.

The presentation series was conducted either individually or in groups. The lead consultant presented the representatives of abovementioned institutions the developed a comprehensive assessment report which contained the consultant team’s findings regarding the strengths and weaknesses in the current system of environmental laws, regulations, and institutions and the recommendations. Every institution was provided by hard copy of the report as well CD prior to the presentation to receive their feedback.

PROGRAM AND PROJECT SUPPORT (PPS)

STUDY TOUR FOR THE MINISTRY OF FOREIGN AFFAIRS (MFA), Washington, DC, USA, May 19 – 22, 2009

The goal of this program was to increase the capacity of the Azerbaijan Ministry of Foreign Affairs to systematically respond to official requests for intergovernmental, bilateral, and multilateral communication, as well as for coordination of foreign development assistance in a manner that is effective and efficient.

The directors of MFA General Secretariat (MFA-GS) and Foreign Aid Policy Division (MFA-FAPD) as well as key support staff travelled to the United States to meet with the appropriate offices within USAID, the Department of State Executive Secretariat, and other identified entities to see first hand how similar functions are handled. They received in-person instruction on how the United States Government effectively drafts and coordinates written materials for the Secretary, monitors worldwide diplomatic communications, facilitates communication between the department and US diplomatic posts worldwide, and administers overseas development assistance.

MFA-GS conducted about 8 meetings with the following offices within the State Department:

- 1) The Department of State Executive Secretariat;
- 2) Executive Secretariat Operations Center;
- 3) Executive Secretariat Office of Correspondence and Records;
- 4) Bureau of Consular Affairs; as well as
- 5) National Security Council

These meetings provided the MFA-GS representatives with knowledge regarding how this State Department's function and how their advanced experience can be applied at the Azerbaijan MFA. The study visit showed that the systems utilized in the US are more decentralized and that most decisions are made within the units without approval of the high leadership of the US equivalent of their Executive Secretariat. Additionally, compared to the Azerbaijan MFA, in the US there is a clear division of roles and responsibilities among staff members and each specific task is implemented by a separate unit or person. The human resources (in terms of both, quantity and quality) allow them to work for 24 hours a day, 7 days a week. Moreover, they are equipped with the modern informational technologies. These aspects ensure timely and efficient workflow of documentation and correspondence. The study tour will be followed by a technical assistance intervention during which the GS representatives will discuss with the consultants how the US experience can be applied to the MFA. The GS acknowledges that they are overloaded. Currently, the GS is dealing with 200,000 requests a year and assumes that in the next few years this number will double. The GS representatives hope that the experience they have received as a result of the study tour and that the recommendations that will be made after the completion of the technical assistance will help them to improve and upgrade the overall system to meet the current as well as future demands for documentation processing.

MFA-FAPD met with the following offices within the State Department, USAID, and other entities:

USAID:

- 1) Office of the Director of Foreign Assistance;
- 2) USAID Europe and Eurasia (E&E) Desk;
- 3) E&E Executive Office;
- 4) Office of Transition Initiatives;
- 5) Office of Foreign Disaster Assistance;
- 6) Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) E&E Representative;
- 7) Global Health (GH) E&E Representative;
- 8) Bureau for Economic Growth, Agriculture and Trade (EGAT) E&E Representative;
- 9) Bureau for Legislative and Public Affairs (LPA);
- 10) Office of Acquisition and Assistance (OAA);
- 11) DCHA Food Security;
- 12) Global Development Alliance.

Department of State:

- 1) U.S. Department of State's Bureau of European and Eurasian Affairs, Humanitarian Program (EUR/ACE);

Other Entities:

- 1) Department of Justice Office of Development Assistance;
- 2) Department of Agriculture Office of Development Assistance;
- 3) Department of Commerce Office of Development Assistance;

- 4) Relevant World Bank Offices;
- 5) Millennium Challenge Corporation;
- 6) UNDP South Cooperation;
- 7) UNDP Regional Bureau for Europe and CIS.

Georgia

RESTORED ECONOMIC ACTIVITY AND GROWTH

NATIONAL BANK OF GEORGIA CONFERENCE

On July 26-27, 2009 the international conference on *The Modern Role of Central Banks in Small Open Economies* was conducted in Tbilisi by the National Bank of Georgia (NBG). The program represented a cost share between NBG, Asian Development Bank (ADB) and FORECAST. The conference aimed to contribute to the success of Georgia's monetary and finance policies, and by extension, confidence of the general public in the NBG's management of key economic issues. Mr. Robert Mundell, Professor at Columbia University and Nobel Prize-winning economist, was invited as the key note speaker. The conference was attended by the senior officials from European Central Banks, Central Banks of the South Caucasus, Middle East and Central Asia.

The conference addressed the following issues:

- Development of financial markets;
- Management of the international reserves/resources;
- The role of national banks (and the NBG in particular) in promoting monetary policy and ensuring financial stability;
- Building public trust in the banking system, and the NBG.

This important event highlighted the importance of a stable banking system and monetary policy, and emphasized planned or implemented reforms in banking sector in Georgia and other countries. Moreover, the program helped to increase participants' awareness and knowledge regarding the importance of monetary policy by which the growth and stability of the economy is ensured. Participants improved their knowledge on the advantages of flexible exchange rates as they have important shock-absorbing role, the negative implications of bad supervision of the financial sector risks and the challenges that inflation targeting countries in particular, including Georgia, face in the medium term. In addition to the substantive presentations/discussions, participants improved their professional contacts with international experts.

GEORGIAN ACCREDITATION CENTER

During the years of 2008-2009 FORECAST supported the Georgian Accreditation Center (GAC) through the three-component program that aimed to facilitate the pre-conditions for the successful integration and recognition of a Georgian accreditation and (eventual) certification regime for international market.

The first two components, study tour to the Latvian National Accreditation Bureau (LATAK) and participation of the GAC General Director in the annual EA General Assembly in Portugal, took place in October and November, 2008. Participation in these two components of the program gave the GAC representatives an opportunity to strengthen the agency's understanding of the requirements and standards for internationally recognized accreditation bodies necessary to gain EA (European co-operation for Accreditation) recognition of the center. By acquiring EA membership, the GAC will

obtain the right to issue accreditation certificates that will be recognized by all EA countries. This will give Georgian products an opportunity to access the EA market more easily.

At the same time the professional contacts have been established between the GAC and the representatives of accreditation bodies from a number of European countries.

The third component, a technical assistance (TA) activity, was conducted in April and May, 2009 by the joined team of the consultants from the Norwegian Accreditation Center and Ms. Zinaida Girina, Quality Manager at the Latvian Accreditation Center (LATAK). Experts analyzed the current status and activities of the GAC and prepared recommendations on improving the Quality Management System and developing an institutional plan and measures that will enable the GAC to enter into bilateral agreement with EA. Specific attention has been given to testing and calibration issues as well as to the problems in the field of traceability of measurements in Georgia.

Following the TA activity, the GAC continued revision of its Quality Management documentation in accordance with EA requirements and recommendations, received during the TA. Currently, more than 20 procedures and technical guidelines of EA, ILAC and IAF are being harmonized into the Accreditation Management System. In addition, in February and May 2009, in cooperation with the EC TACIS and German PTB projects, special modular trainings for the GAC assessors have been conducted. The trainings aimed to introduce the GAC priorities to the assessors and to increase their knowledge of international requirements of the accreditation procedures.

On May 27-28, 2009 the GAC General Director was invited by the EA Secretary General to participate in the EA General Assembly in Luxembourg. During the Assembly it was declared that, since Georgia falls within the countries included into the EU's Neighborhood Policy, and fulfills basic requirements for independence and impartiality, the EA will be delighted to welcome the GAC to its family. This process will start by signing a Cooperation Agreement (possibly in November or December of 2009) that may further develop into the Bilateral Agreement, which equals to the EA MLA.

INTERNATIONAL SCHOOL OF ECONOMICS (ISET); COMPONENT I: STRATEGIC/BUSINESS PLANNING (TA)

The goal of the program is to contribute to the growth and sustainability of ISET as a premiere economic institute of higher learning in the Caucasus.

The program consists of the following two components: *I. ISET Strategic/Business Planning, and II. Financial Management and Accounting, and International/US Auditing.*

The first component of the program, conducted by Steven Yeo, Chief Executive Officer of the Centre for Economic Policy Research (CEPR), commenced on January 5, 2009. The work is being carried out in six stages:

1. Review of documentation, developing questionnaire, conducting interview (incl. focus group discussions);
2. Exploration and refinement of strategic options and consultations with stakeholders in Georgia and throughout the region;
3. Preparing the document for the discussion with scenarios reflecting the various strategic options available to ISET and their implications for intellectual and financial sustainability;
4. Organization of a workshop to explore strategic options and sustainability issues with ISET management and staff as well as with other key stakeholders;
5. Preparing report (based on the outcome of the workshop as well as other stakeholders' feedback);

6. Preparing transition plan that will specify how ISET will implement its strategic plan and business plan.

The exploration of strategic options is completed, as are the consultations with stakeholders in Georgia and Armenia. Consultations with stakeholders in Azerbaijan include exploration of extension teaching in the region and financial prospects for the ISET to do so. Elaboration of the transition (strategic) plan (to be presented for discussion and approval to the Board) will be one of the main outcomes of the program. Due to the fact that the next regular meeting of the ISET Board is scheduled for July 12 and considering the request of the institute's leadership, the final activities of the program were moved to summer.

Component II: *Financial Management and Accounting, and International/US Auditing*, is under development. The anticipated timeframe for the component is July, 2009.

GOVERNMENT TRANSPARENCY, ACCOUNTABILITY AND RESPONSIVENESS TO THE PUBLIC

MUNICIPAL FINANCE OFFICERS ASSOCIATION (MFOA), CONFERENCE

FORECAST supported the participation of the representatives from the Municipal Finance Officers Association in the *103rd Annual GFOA Conference: the Financial Strategies for Challenging Times* (June 27 – July 1, 2009) held in Seattle, US. The conference gave the Georgian participants an opportunity to observe how successful counterpart organizations in the US and other countries function; to learn how to govern and structure such associations; what types of services and products are provided by them; learn about relationships of such associations with private sector entities that provide services and products to the membership; as well as to develop relationships with delegates from other countries attending the conference. In addition, the MFOA representatives attended concurrent educational sessions which were held throughout the conference covering all facets of public financial management, including:

- Accounting, auditing and financial reporting;
- Budgeting and Financial Planning;
- Cash Management;
- Organizational management and policy;
- Technology and digital government.

Moreover, during this visit the presidents of the two associations, MFOA and GFOA, have signed an *Agreement of Affiliation*. The objectives of this agreement are:

- To acknowledge and strengthen the relationship between the two associations;
- To foster the exchange of ideas and information and the undertaking of joint efforts to promote the professional management of government finance programs.

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 association in Georgia.

ATLANTA-TBILISI SISTER CITY COMMITTEE APPELLATE REVIEW TRAINING

In order to enhance technical skills, broaden knowledge and deepen expertise, the FORECAST program provided support to a group of Georgian appellate judges to conduct a two-day appellate procedure, research, and opinion-writing techniques seminar organized by the Atlanta-Tbilisi Sister City Committee in close cooperation with the Georgian High School of Justice (HSOJ). The HSOJ was

established in 2005 to further the reform of the court system in Georgia and aimed inter alia to build the capacities and knowledge of judges in the proper execution of Georgian law, and international and human rights law. The HSOJ is the only government-sponsored agency in the country mandated to train judiciary staff and judges.

The program focused on appellate writing, legal research techniques, the fundamentals of oral argument, and judicial opinion composition. The training was conducted by the experienced American judges and appellate lawyers; the agenda for the seminar was jointly developed by the HSOJ and the American presenters. While the primary function of the seminar was to offer insight into effective legal writing and appellate argument, the central instructional medium was mock appeals from the jury trial process, such as an appeal based on juror nullification or improper *voir dire*. Where appropriate and possible, actual cases from American, European and international courts were examined.

In other words, the seminar aimed at:

- Complementing the skills and knowledge of Georgian judges by introducing participants to western jury appellate procedures with a focus on appellate decision-writing techniques, oral arguments, and legal research;
- Introducing participants to essential appellate review methods and raising the standard of advocacy at the appellate level in the country.

IMPROVED DELIVERY OF SOCIAL SERVICES

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.

Following delays brought on by the August conflict, the second phase of the assessment took place from October 19 to 29, 2008. During this phase the main focus was made on the process analyses of the areas identified during the first phase of the assessment, such as: governance and management; financial strictures, flow and decision-making; recruitment, evaluation and staff motivation; impact and issues of GoG higher education legislation/policy as it affects TSU operations, implementation of strategy, and improvement process. At the final stage of the assessment the presentation was held for the stakeholders group acquainting them with the findings and potential intervention recommendations.

After receiving the final assessment report from KNO, FORECAST developed an intervention package that included three prioritized interventions:

1. Strategic Planning, Implementation and Monitoring;
2. Recommend and Document Improved Work Processes;
3. Development of Financial Sustainability Plan (planned for Autumn).

In May 2009 KNO conducted the first two interventions of the three: *Strategic Planning, Implementation and Monitoring*; and *Recommend and Document Improved Work Processes*.

The main tasks achieved during the intensive 2-week period included:

1. Identify priorities/decisions in the strategy planning/implementation that could be realized in a short time to restart momentum and demonstrate progress;
2. Advisory on the formulation of new policies that support increased decision making at the department level; emphasize procedural approaches with well documented roles, responsibilities, and decentralized decision-making authority;
3. Address function(s) of the Department of Public Relations with increased emphasis on internal communications - to use more efficient and effective various media to communicate with constituencies throughout the university community;
4. Advance planning with the university staff to identify and map key processes.

In addition to direct TA activities, the consultants undertook thorough advisory and mentoring work with the TSU administration, Strategic Team, PR department and regular staff. This included a series of active workshops, focus group discussions and team meetings aiming at moving the reform initiative forward and making decisions on next steps. The key tasks that were accomplished were:

- Building understanding amongst TSU management and faculty on the strategy planning and implementation as a project;
- Formation of the strategic project team; Training and coaching of the team members on the issues of developing the strategy document and its further management;
- Integration of the historical information (vision, mission, goals, and strategic objectives) and rewriting/putting it into a comprehensive and useable format;
- Preparing the presentation of the strategy document (first draft) and its brief discussion involving administration and academic staff;
- Designing the strategy document for completion in summer;
- Assistance in designing effective communication strategies between units/department and central administration;
- Assistance in coordinating interfaces between departments, units, and functions/jobs, to ease communication and improve efficiency;
- Assistance with the development of standardized procedure/policy-writing through on-the-job mentoring of mid- and senior-level staff;
- Re-starting the strategic process; demonstrating leadership commitment;
- Designing and scheduling follow-up steps;
- Assess progress since Autumn 2008 assessment and adjustments.

Within the scope of restructuring the Public Relations unit, a series of workshops were conducted to:

1. Define the goals of the Unit as a new University and Public Relations Unit;
2. Complete an analysis of target audiences, information channels, and communication means;
3. Conduct focus groups separately with students, faculty members, and administrative staff to collect input on information needs and preferred channels;
4. Draft an Internal Communications Strategy (using comparative best practices) to document the analysis of the discussions/meetings/focus groups and to define actions to be taken to achieve the goals;
5. Educate unit staff members in the concepts and applications of effective internal communications within a university environment.

Largely, the technical assistance was used to develop and structure the next steps along with defining necessary human resources and timeframes. Overall, the outcomes from these interventions will help TSU to start preparing the building blocks for effective implementation of strategic objectives, making decentralized decision as well as demonstrating Change to the university community and to the general public.

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 performance assessment of NEAC was carried out in two phases (July and October, 2008) 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.

The project's first phase was mainly dedicated to the systematic process of gathering and analyzing information. 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.

Upon completion of the assessment PDI made a presentation for the stakeholders group about the final findings and recommendations for future interventions. The intervention package was developed and approved in January, 2009.

In February 2009 PDI experts conducted the first and the second of the five recommended interventions that aimed at 1) establishing effective and result-oriented process management systems that improve the efficiencies of the NEAC's organizational performance; and 2) providing the NEAC with the necessary tools to establish management systems that allow the institution to regularly plan, evaluate and take corrective actions.

PDI experts also supported NEAC to apply for European Association for Quality Assurance in Higher Education (ENQA) membership and assisted them in preparing application forms and necessary documentations for the submission.

In April 2009 Partners Georgia (in consortium with UNAG and ARC), the local FORECAST partner organization, conducted the fifth recommended intervention aiming at improving the NEAC's Personnel Development system. As a result of the intervention the following outputs have been achieved:

- Standard templates for job descriptions developed, organizational chart redesigned;
- Functions, responsibilities and interrelationships defined;
- All employee personal files developed;
- Specially designated staff educated in HR management through ongoing consultancies and mentoring;
- Performance evaluation system developed, introduced and agreed;
- Relevant Staff trained in performance management techniques;
- Positions evaluated for competencies and classified accordingly;
- Relevant Staff trained in recruitment/selection techniques;

- Staff knowledge and skills analyses conducted and personnel development scheme elaborated;
- Draft personnel manual developed in coordination and agreement with NEAC management and HR unit.

Following this intervention, the Center for Training and Consultancy (CTC) conducted the first component of the forth recommended intervention on the development of the Organizational Strategic Plan. The goal of the intervention was to facilitate and guide the organizational development strategy elaboration process of NEAC and help it to develop a relevant action plan.

Despite challenges related to the resignation of the Director of the NEAC that occurred during the intervention period, NEAC with the support of CTC was able to achieve the following outputs:

1) Action plans for the following major directions/functions performed by NEAC

- Institutional and program accreditation of high education institutes;
- Accreditation of schools;
- Accreditation of teacher professional development education programs;
- Accreditation of vocational schools and education programs;
- Management of students and professors register;
- Authentification of education documents;
- Control of student mobility;
- Control of student voucher;
- Establishment of academic qualification.

2) Development of a narrative document describing major goals and objectives under each direction.

The document shortly describes how the plan can be used and managed by NEAC management to guide its development and to make it operational.

For more information, please see **Challenges and Constraints** below.

KIPSHIDZE CENTRAL UNIVERSITY HOSPITAL (TA)

The goal of the KCUH partial HICD program was to create a standardized hospital employee recruitment and performance appraisal system for professional and technical staff.

The two-phase TA activity represented the second component of the partial-HICD program. The first component (an institutional assessment of KCUH) was conducted by Mr. Brue Chandler, an experienced hospital and healthcare management administrator, in May 2008. The results of the institutional assessment formed the basis for the implementation of the second component.

The first of the two-phase TA, conducted by a team of experts from La Crosse, Inc., took place March 14-20, 2009. The consultants held a number of introductory meetings with the leadership of the hospital. During these meetings the decision was made that the team of consultants would be extensively working with the surgery department which would serve as a model for the hospital.

The first phase was concluded by a workshop for the heads of the departments during which the consultants acquainted the participants with the preliminary findings. In order to identify the areas of priority for the second phase, the participants were asked to fill in questionnaires. At the same time, the medical staff bylaws, drafted by the consultants in collaboration with the KCUH leadership, were reviewed.

The second phase took place on April 4-15, 2009. During this phase of the assessment the international team of consultants conducted a number of panel presentations and round table discussions on the results and findings of the first phase of the TA.

In collaboration with the KCUH senior management and HR department, the consultants also worked on the development of a uniform personnel record and record management system. In addition, a uniform job description template has been created. This was followed by the training sessions for the KCUH management staff (Senior Leadership, HR Department, and department directors and managers) on purposes, construction and usage of job descriptions.

After completion of the program, the final report was submitted to FORECAST. The report includes not only recommendations but also the following deliverables:

- KCUH Medical Staff Bylaws;
- Draft Policies and Procedures;
- Position descriptions for:
 - General Director;
 - Chief of Staff;
 - Deputy Director (Critical Care and Emergency);
 - Deputy Director (Finance);
 - Head of the Administration Department;
 - Head of the Surgery Department.
- KCUH Sample Performance Appraisal framework;
- 2008-09 Job Plan Agreement Summary Table.

PROGRAM AND PROJECT SUPPORT (PPS)

MINISTRY OF REFUGEES AND ACCOMMODATION (MRA) – TA

The goal of the program is to contribute to building the capacity of the Ministry for Refugees and Accommodation (MRA) in developing and effectively operationalizing the GoG *Action Plan for the Implementation of the State Strategy for IDPs*. The project is being undertaken by international experts Ms. Erin Mooney and Mr. Guy Hovey, with the assistance of a local project officer contracted by FORECAST.

This quarter (April-June, 2009) saw both the completion of the first phase of the program (undertaking an assessment of the MRA's capacities and the provision of direct TA to the management of the MRA) and the beginning of the second phase, comprised of a package of targeted interventions to address gaps that were identified during the first phase of the assessment.

The first phase identified a number of capacity gaps in the MRA and formulated recommendations for addressing them. These findings were discussed and endorsed by MRA and were also validated and strongly supported by MRA's main stakeholders in the international community and GoG. Indeed, a number of international partners of the MRA are basing their own capacity-building programs with MRA on the FORECAST findings and recommendations; this not only entails a broader range of support for MRA but also ensures that these efforts are coordinated and mutually reinforcing. For example, the findings and recommendations of the FORECAST project inspired and informed the Danish Refugee Council's 18-month project of capacity-building support for the MRA on IDPs, which is scheduled to begin in the final quarter of 2009. The FORECAST project has served to catalyze not only renewed confidence in the MRA, but also concrete commitments of capacity-building support, based on a common analysis of needs, and a more coordinated international response to addressing these needs.

FORECAST's areas of focus for contributing to the collaborative effort of strengthening MRA capacity-building (in the second phase), fall into 4 areas of intervention:

1. Technical Assistance at the MRA (ongoing) in key strategic areas central to operationalization of the IDP Action Plan;
2. Database Development, providing technical advice to the MRA;
3. Communications;
4. Human Resources management.

Key activities and achievements undertaken during this quarter are as follows:

Intervention I (TA phase two at MRA)

This intervention consists of 3 main components: a) supporting the effective functioning of the Steering Committee on IDPs and operationalization of the IDP Action Plan; b) strengthening the MRA's capacity on IDP issues; and c) supporting the establishment of a Project Management Unit in collaboration with the World Bank. The first two areas, and in particular the first, have been a focus of TA and progress over the quarter.

The Steering Committee on IDPs was established in March 2009. While the need for a coordination mechanism between the Government and international agencies and donors for implementation of the State Strategy on IDPs had been highlighted by the Government and international partners alike, it was FORECAST that, in collaboration with the MRA and its stakeholders, conceptualized and secured consensus support for the Steering Committee. FORECAST drafted the ToR for the Steering Committee (which was adopted by all members) and worked over the reporting period with the MRA to strengthen secretariat services to the SC, in terms of timely announcement of meetings, development of action-oriented agendas, clearer and more concise minutes, etc. Chaired by MRA Minister Koba Subeliani, the Steering Committee has since become the main forum and decision-making body on IDP issues.

A key first task of the Steering Committee was to finalize and adopt a revised Action Plan for implementation of the State Strategy on IDPs. FORECAST consultants were nominated, together with UNHCR and the Swiss Agency for Development and Cooperation (SDC), by the SC in April to assist the MRA in finalizing revision of the draft Action Plan that had been circulated by the MRA. TA and expert opinion was provided and the Action Plan was adopted by the SC in May, and formally launched by the Prime Minister and Minister Subeliani on June 17th.

In order for the MRA to coordinate the operationalization of the Action Plan, a practical mechanism of coordination and planning was required. FORECAST worked closely with the MRA and the IC to further develop and institutionalize the Steering Committee mechanism which FORECAST consultants proposed, secured broad support for, and formulated the modalities in the first phase. A strong vote of confidence in the functionality of the SC came in June, with the EU's announcement of 50 million Euros to support implementation of the IDP Action Plan; while the EU had been planning this resource commitment for some time, the actual formalization of this commitment was – the EU had indicated to FORECAST – contingent upon the establishment of an effective coordination mechanism between MRA and international donors.

The FORECAST consultants worked closely with MRA officials to provide assistance to underpin the work of the SC, with a framework for informing its work with technical expertise through the establishment of Temporary Expert Groups (TEGs). It should be noted that MRA had been strongly resistant to the creation of a network of working groups or task forces. However, with consistent advocacy, readiness to strike compromise, and creative approach to the issue, FORECAST eventually

succeeded in securing the agreement of MRA (and its stakeholders) to the establishment of “temporary expert groups”, which would be expert in membership by task-specific and time-bound in their mandate. FORECAST then drafted for MRA an explanatory note and ToR for the TEGs. Four TEGs were established in June, on: (i) Legal, Protection and Outreach; (ii) Livelihoods; (iii) Profiling IDPs in private accommodation; and (iv) Shelter Rehabilitation Standards.

In addition, the Minister and his MRA senior and support staff were mentored by FORECAST to chair TEG and SC meetings and provide secretariat support functions. Increasingly effective Steering Committee meetings saw the SC allocate tasks to the TEGs which will enable the SC to agree program strategies in support of the AP. FORECAST has taken a lead role in partnership with the MRA in ensuring the efficacy of TEG meetings and has also worked intensely behind the scenes with the IC to ensure that it understands and meets its commitments to the SC mechanism. The TEGs are meeting regularly to fulfil their assigned tasks and provide the requested input and recommendations to the next SC.

Since the development of the SC and the TEGs, key international agencies and donors, including UNHCR, DRC, SDC, the EU and the World Bank, have expressed keen interest in the FORECAST project and have been actively engaged with the FORECAST team. Indeed, those keen to invest resources in capacity-building of the MRA (including UNHCR, EU, DRC, World Bank) have indicated that this will be guided in large part on the basis of the findings and recommendations made by the FORECAST team.

During the reporting period, FORECAST conducted field visits to the MRA offices in Gori and Rustavi as well as to IDP integration settlements and collective centres in the town and surrounding villages. On a number of occasions this quarter, FORECAST also met with MRA regional heads in Tbilisi and sought their views and ideas as part of the capacity assessment.

In regular meetings and consultations with the international community, FORECAST has advocated for support to the MRA. It has been encouraging to see that, where USAID has been unable to provide support to a certain need (such as the reception centre) other organizations have taken the recommendations and have filled the gaps. An ongoing FORECAST recommendation through both phases has been the need to provide long term and regular support to the MRA. This recommendation has been recognized by organizations such as the UNHCR and the DRC (with its main donor the EU) which have formulated programs to provide the support required. However, the MRA and the DRC/EU have also identified the need for FORECAST to provide transitional support during the start up phase (estimated to begin in October 2009) of the DRC project to enable it to capitalize on the experience and human capital built up during the FORECAST technical assistance project.

Intervention II (Database Development)

The support to database development requested by the MRA proved to be particularly challenging. While there is a vision in the MRA for what is required of an information management system, implementation or even clear articulation of this vision has been stymied by the lack of a lead database development project manager and clear definition of the task from the outset. FORECAST liaised closely with the UNHCR (also working with the MRA on the database issue) with a view to clarifying and aligning the thinking of all involved.

Intervention III (Communications)

The need to improve MRA’s communication skills (internal and external) was a key recommendation by FORECAST, and one identified by the MRA, including the Minister himself, as a priority area for capacity-building support. An IRF designed to provide strategic support as well as to address immediate communications needs was formulated by FORECAST and approved by USAID.

Following a competitive bidding process, the provider was selected: a joint proposal by Partners Georgia and GePRA. Beginning in July, a series of communications trainings will be provided to a wide range of MRA staff, and consultations will begin for the development of a communications strategy for the MRA.

Intervention IV (Human Resources)

FORECAST undertook an assessment of the Human Resources department within the Ministry. The ability to conduct such an assessment and the openness shown by senior and support MRA staff in interviews is testament to the level of trust which has grown between the consultants and the MRA. The assessment identified an HR department with no personnel policies, no Standard Operating Procedures and little understanding of the functions of an HR department. An IRF designed to provide strategic support and address immediate HR needs was formulated and submitted to USAID.

Workplan Development

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

III. SUCCESS STORIES

MUNICIPAL FINANCE OFFICERS ASSOCIATIONS BEGINS TRAINING ACTIVITIES FOR MEMBER MUNICIPALITIES

At the beginning of 2009, the MFOA established a three-person working group, to conduct a series of trainings and seminars for municipal finance officers from member municipalities, specifically targeting the regions of Georgia. The first (pilot) training on the GFS-2001 (Government Finance Statistics manual written by the IMF) was held in Marneuli Municipality in February, with the participation of finance department staff (10 participants). The participants were trained on the main principals of the GFS-2001, differences between the GFS-2001 and the previous GFS-1996, and on how to allocate expenditures according to the new standards under the GFS-2001. This was followed by series of the similar on-the-job consultations, conducted for finance officers from six regional municipalities (1-2 officers from the each municipality) in Mtskheta, Ozurgeti, Samtredia, Telavi, Gori and Kutaisi.

The MFOA intends to expand their training portfolio in the future, and FORECAST will assist them in creating demand-driven training and TA “products” through the upcoming HICD program that will begin in July. The MFOA has also begun development of a finance officers’ certification program with support from the Ministry of Finance.

FORECAST BUSINESS AND FINANCIAL PLANNING MODELS ADOPTED BY THE UNIVERSITY OF GEORGIA

Following a market assessment and technical assistance intervention conducted by the FORECAST program, the University of Georgia (UoG) has adopted a forward-moving business plan, and financial planning model to develop a healthcare management concentration at their School of Public Health.

The university immediately began using software specifically designed to support their financial planning activities - not only for the School of Public Health, but also for all other schools within the university. In particular, the USAF calculator has been used during the university-wide business planning and budget preparations for 2009 - 2010. The business plan developed by FORECAST was also immediately put to use by the school for the development of 1) their MPH and MHA Master’s degree programs, and 2) supplementary short-courses. The latter of these are particularly popular with healthcare industry companies who wish to (re)train key technical staff and administrators.

However, while the market demand for the short-courses was and is quite clear, and the School of Public Health can successfully forecast and plan the financial and human resources for this segment, the situation with the master degree programs is more complicated. In particular, the school was expecting around 15 students to participate in the first Healthcare Management concentration Master's programs starting from autumn 2009. However, this year the Ministry of Education began a new country-wide examination under the auspices of the NAEC for competitive selection of all Master level candidates – in order that they may confirm student qualifications and exclude corruption. Because the initiative is quite new, and as it appears, is not suitably advertised by the GoG among potential master degree applicants, the school have received just 12 applications to date, whereas the predicted number of application was around 60. This forced UoG to revise/reduce their anticipated budget for the program and make changes in the current business plan. However, the leadership of the university expects that from the beginning of the next academic year, public awareness on this issue will be raised, and the university will be able to continue with the original business plan.

At the same time, following another FORECAST recommendation, the UoG's School of Public Health has actively begun marketing its programs. Through the new marketing campaign, the school is promoting its public healthcare management concentration with hospitals/clinics, healthcare agencies, and insurance and pharmaceutical companies. The campaign includes presentations, working meetings and workshops to/with the potential clients of the university.

Thus a presentation and working meeting was organized by UoG on June 12, 2009 at the Sheraton Hotel in Tbilisi. The goal of the meeting was to introduce the importance of the healthcare management education to the key players of the Georgian healthcare market. In particular the meeting emphasized that the Government, together with local and international partners, should as soon as possible, open discussions on the elaboration of new standards for healthcare managers, and even go so far as to consider healthcare managers among the “regulated” professions. It is expected that this will result in strengthened professional level of the managers on the one hand, and increased demand for high-quality healthcare management education on the other. All parties in attendance (including the GoG) agreed on the importance of this issue, and in order to strengthen partnership activities with the university, signed a Memorandum of Understanding. The signatories include UoG, the Ministry of Labor, Health and Social Affairs, the State Regulation Agency on Medical Activity, the Health and Social Programs Agency, ACTS International, MediClub, the National Cancer Center of Georgia, Tbilisi Family Medicine Educational and Clinical Center, and the Insurance Company Aldagi BCI.

The MoU outlines the following partnership opportunities between UoG and these organizations:

- 1) To draw on the scientific, practical and intellectual potential of UoG in order to strengthen public health management and administration activities within the organizations;
- 2) To strengthen qualifications and credentials of the organizations' employees through the participation in the UoG's short-course programs;
- 3) The organizations will assist the graduates of UoG through internship activities, that might be followed by recruitment opportunities for these graduates;
- 4) To conduct joint scientific-research and practical activities, and to share the resources during these activities.

ACTION PLAN ADOPTED BY THE MINISTRY OF REFUGEES AND ACCOMMODATION (MRA)

As a priority issues that effected the ability of the MRA to perform key activities, as a precursor to any work on the institutional aspects of the MRA, and as a way of establishing FORECAST's credentials in a climate of mistrust, it was imperative to rebuild the interaction, trust and mutual respect which had been lost between the international community and the Ministry.

The FORECAST/MRA steering committee initiative enabled contact to be re-established in a formal and coordinated manner and for the Action Plan to have a body responsible for its implementation with decisions being made in a transparent and accountable way. Just as important was that it acted as a forum for trust and cooperation to be rebuilt between stakeholders.

The significance of the steering committee process can be gauged by the momentum it has started in the Action Plan funding/implementation process: The European Commission (EC) had allocated 51 million Euros for Action Plan support. However, with no transparent MRA led mechanism through which the funds could be implemented, the EU was reluctant to disburse the funds. The EC, upon meeting with FORECAST consultants to discuss the Steering Committee initiative decided to take an active role in the meetings and, having declared its confidence in the process, has since announced that it is releasing the 51 million Euros, to be programmed through recommendations endorsed by the Steering Committee.

Additionally, the initial report and assessment of the MRA created great interest among donors and implementers who had been seeking ways of supporting the capacity of the MRA. FORECAST recommendations have been taken up by agencies such as the UNHCR (survey design and part database support) and the DRC who, with funding from the EC, will implement a comprehensive institutional capacity building program over 18 months to two years. More recently UNDP has also declared an interest in working with the MRA and FORECAST. The bringing together and galvanizing of the MRA, donors and implementing partners means that a new start has been made in creating an effective, operational, and increasingly transparent Ministry with responsibility for IDP issues.

The above actions, combined with day to day mentoring and support to the MRA Minister and his deputies, has resulted in building close ties between the MRA and FORECAST. This means that not only does the MRA consult regularly with FORECAST, but also that the Minister regards FORECAST consultants as his close advisors and mentors. For example, following each public speaking engagement, steering committee meeting, presentation, Minister Subeliani requests a meeting with FORECAST consultants and the Chief of Party where he asks for an honest appraisal of his performance. Minister Subeliani has said in these meetings: “.....you people (FORECAST) are my teachers, tell me what was good, what was bad and how to do better next time”. The Minister takes notes at the debriefings and internalizes the lessons. At presentations the Minister now discusses and advocates for the importance of having figures supported by fact-based evidence, for information to flow freely and for that information to be communicated clearly and effectively with stakeholders and the need for all to work together collaboratively, he keeps presentations short and to the point and although there is much still to be done the difference between pre FORECAST and now is significant. Most importantly, not only does the Minister advocate for fact-based information and better communications, he believes in them and, with his leadership, this has started to filter down through to others in the MRA. This is very important given the lack of verifiable information, poor communications, coordination and implementation ability prior to the FORECAST consultancy.

The trust built between FORECAST and the MRA has enabled the consultants to have gained full and open access to the inner workings of the Ministry. At the same time consultants are discussing with other agencies such as the DRC the potential for projects to follow on from the FORECAST initiative. No other agency has been afforded access to the structures which support the MRA and it will be the work undertaken with these structures which will enable the operational side to fulfill its role.

At the start of the FORECAST consultancy the MRA was regarded as weak, ineffective and not highly respected in the Government of Georgia, indeed its very existence was in question. On Wednesday 17th June the MRA held a reception to mark the adoption of the Action Plan. In addition to Ambassadors and the international community, the reception was attended by many Georgian Ministers and officials as well as the Prime Minister and the wife of the President's. The attendance of these figures was a

tangible demonstration of the importance and confidence which the GoG now places on the MRA and the amount of respect the Ministry now commands. At the reception the Prime Minister was introduced by Minister Subeliani to the FORECAST Chief of Party and consultant. The PM thanked FORECAST/USAID for their work with the Ministry. Later, in a speech to the reception, the PM spoke of the importance of the MRA, his high regard for its work and the need for what it does. He thanked the international community and USAID who has been working to build the Ministry.

The work which FORECAST has undertaken with the MRA has started the process and momentum of building the capacity of and support for the MRA (including the support of the PM's office). However, following the PM's speech and the great interest of donors and implementers in the project the FORECAST initiative will continue through other organizations after the end of the consultancy ensuring the sustainability and expansion of the work begun by USAID through FORECAST.

FORECAST SUPPORTS TOURISM DEVELOPMENT IN GEORGIA

On March 11-15, 2009 FORECAST sponsored the participation of Georgia's five leading incoming tour operators - Explore Georgia, GeorgiCa Travel, Georgian Discovery Tours, Intertour and Caucasus Travel, at the ITB convention in Berlin. ITB Berlin is the world's leading travel trade show and the main B-2-B platform for the tourism industry worldwide.

The greatest challenge facing Georgia's tourism sector today is still to continue creating and promoting a favorable image of the country abroad which was dramatically worsened after the conflict of August 2008. It will most likely take years for the sector to recover to income levels that approach those seen prior to the conflict, hence the purpose of the USAID/FORECAST intervention was to support the incoming tourism sector in its attempts to quickly regain and grow its international tourism base.

The ITB Berlin convention gave each of the participating companies an ideal chance to extend past contacts and establish new business partnerships. Of note, agreements were signed by the Georgian companies with tour operators from the UK, German, Turkey, Austria, Switzerland, the US, France, and Italy. As a direct result, within three months of the event, Caucasus Travel has already hosted several tour groups from their new ITB partners in Europe and the US. According to the general manager of Caucasus Travel, they are expecting to host more than 300 additional international tourists by October 2009, and have already received a number of inquiries for the 2010 season. Explore Georgia and GeorgiCa Travel have also logged confirmations from newly-established partners as well as a number of requests for cultural and adventure tours from those partners in Europe and the US.

Unlike a number of other industries in the country, the travel sector in Georgia is actively responding to – and already rebounding from – challenges created by the recent conflict. The participation of five leading Georgian incoming tour operators in at the ITB event contributed to this by providing a unique opportunity for the Georgian delegates to meet, network, negotiate, expand business agreements, and stay abreast with the latest developments in the travel industry.

IV. CHALLENGES AND CONSTRAINTS

Program Challenges

The low motivation from NEAC management to contribute to the development of the action plan was caused by the NEAC director's decision to resign. Moreover, the stakeholder's meeting was postponed for several times due to the changes in the stakeholder's management. The service provider recommends continuing the development of the NEAC strategic action plan after the finalization of managerial changes within NEAC and MoES.

V. 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. FoF is 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.

Teachers' Challenges Regarding Students with AD/HD

On July 2, 2008 the FoF request submitted by CHADD participants was approved by the Mission. The proposed initiative, *Teachers' Challenges Regarding Students with AD/HD* aimed 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 the mainstream educational system as well as the general population.

Activities conducted under the initiative were:

- Conducting surveys in ten pilot schools on awareness levels of school staff on AD/HD;
- Translation, publication and distribution of a booklets on AD/HD, designed for public awareness among teachers, parents and organizations working in education;
- Translation, publication and distribution of the brochures *AD/HD and School*. The brochure includes information on AD/HD and its main aspects; distributed among teachers, parents and organizations working on disability issues;
- Organization of the workshops *ADHD and Special Educational Needs*.

The duration of the initiative was six months with the budget amount of \$8,170.

On March 28 the FoF applicants conducted a seminar *Special Needs of Children with Disabilities* at the Public Defender's office. Approximately 30 participants, teachers and psychologists working with the children with ADHD, attended the seminar.

Applicants also conducted a workshop *Association of Trainer and Teachers* on March 31, where the necessity of combining the existing modules on ADHD and incorporating them into one effective training module was discussed. New materials on ADHD that were developed within the framework of the joint project of the Ministry of Education and Science of Georgia and the Norwegian Directorate for Special Education were also introduced to the participants during the workshop. The brochures which were developed and published as a result of FoF activities were distributed among the participants of both events.

The aforementioned activities were the final activities of the project. However, due to the fact that the amount of USD 2500 budgeted for the translation of the book on ADHD was not completely expended, the applicants submitted additional request to FORECAST in order to conduct a similar two-day seminar on *Special Needs of Children with Disabilities* in Batumi.

The seminar was conducted on May 13-14, 2009 in cooperation with the Ministry of Education, Sport and Culture of the Adjara Autonomous Republic. Thirty-two teachers and representatives of the local Ministry of Education attended the seminar. During the seminar the brochures which were developed and published as a result of FoF activities were distributed among the participants. As the topic of the seminar was quite unfamiliar for most of the participants, presentations made during the seminar covered not only the advanced topics, as was the case for the same seminar conducted in Tbilisi, but

also went back to cover introductory topics as a prerequisite (What is ADHD and what are its causes? Who evaluates a child? Special recommendations for teachers and parents, etc.).

In addition, the National Curriculum and Assessment Center of the Ministry of Education and Science, plans to publish more of the brochures developed and published as a result of FoF activities.

According to Nana Gegelishvili, the Program Coordinator:

Closely cooperating with the Ministry of Education and Science, our organization (Library-cultural Center for People with Disabilities "Tanadgoma") actively participates in development of Inclusive education in Georgia. We participate in all the events organized by the Ministry and also present them information on the activities carried out within the framework of different projects, financed by international donors.

*Taking into consideration the above said, we can say, that informational–educational materials (the booklet "What should we Know About the ADHD" and the brochure "Children with ADHD, School and the Family") developed within the framework of the project "Teachers' Challenges Regarding Students With ADHD" and presented at the workshop - "ADHD and special educational needs", have been positively evaluated by the experts of the National Curriculum and Assessment Center, that are in charge of preparation of theoretical base on inclusive education. **Materials given in above stated brochures (shortened version) were incorporated in "Inclusive Education Guideline for Public School Administration and Teachers". National Curriculum and Assessment Center plans to publish the guideline during the summer period, by the beginning of the new school year. Guidelines will be distributed in mainstream educational schools in Tbilisi and in regions.** [Emphasis Added]*

www.mediaeducation.ge, News, Information and Educational Resource Website on Media for Students, Teachers and Professionals

In December 2008, representatives of the Georgian Institute of Public Affairs (GIPA) and the Caucasus School of Business (CSB) submitted a request for FoF to FORECAST. The application was subsequently approved by the Mission in February 2009. The goal of the project is to establish mediaeducation.ge, news, information, advisory and training forum for journalism and media students, teachers and professionals in Tbilisi, Georgia. mediaeducation.ge will carry information about: academic and training programs in the field of journalism, media management, public relations and communication, as well as creative media programs announced by Georgian universities and training organizations; international media education opportunities abroad; loans and fellowships, internships and jobs; competitions available to the citizens of Georgia. The project will collect officially-released information and will provide in-depth descriptions of academic and training programs, interviews with education administrators and program participants, video footage and audios of important press-conferences and sites. The website will have an expert blog explaining media education and employment trends, program requirements, legislation and other relevant issues. The total budget amount of the project is USD 9,997.27. The timeframe of the project is February – September 2009.

Below is the progress report on the mediaeducation.ge website project submitted to FORECAST by FoF applicants on June 15th:

"Hereby I would like to submit a provisional report on activities of MediaEducation.ge project.

The project started upon approval and signing the contract by World Learning. The founding directors, Lia Chakhunashvili, Maia Mikashavidze, Natia Kaladze and David Paichadze met to outline the website structure and finalize action steps for the upcoming months.

The directors hired Ana Keshelashvili as a coordinator of the project.

Ana Keshelashvili finalized website features, wrote a Request for Tenders to design a website, contacted potential bidders and provided them with Tender information and consultations. Ana Keshelashvili also hired information gatherers/journalists from among graduates of Caucasus School of Journalism and Media Management, GIPA.

Ana Keshelashvili trained information gatherers, who started collecting and writing background information on the project, educational institutions and other stakeholders in media and journalism, various educational programs, scholarship programs, contests. Parallel to this information gathering, three journalists collected various resource materials that may prove useful for media educators, such as electronic textbooks, research papers, useful links, etc. The project obtained permission to translate and publish select articles from IJNet, a resource website in journalism run by the International Center for Journalists (US).

The creation of the website was planned for April; however, it was significantly delayed because bidders were late with bids. The project collected three bids by June 10th from Omedia Studio, LLC Pixel and Neuron Studio ltd. Based on the proposed timeline and budget, the Neuron Studio was selected as the best bidder.

The Neuron Studio is supposed to submit the workable website engine and interface by June 20 and improve design and details further until the end of June. Initially planned website launch on July 1, will be delayed until July 15. To make the website up and running and properly operational, and updated regularly, we intend to test the website offline for about three weeks, until July 15.

We plan to move to the next stage of the project - presenting the website and launching marketing efforts by the end of July.”

VI. 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:

- Georgian State University, Institute of International Business — to send one participant to Atlanta, Georgia for the *Establishment of a PbD* program in Business Administration at Caucasus University in Tbilisi, Georgia. The program dates: June 14-March 16, 2010;
- American International Health Alliance — to send two participants to the Study Tour to the University of Central Florida. Program dates: June 20-July 6, 2009.
- Advanced Engineering Associated International — to send three participants to the University of Wisconsin, August 8, 2009 – May 20, 2010.

- Advanced Engineering Associated International — to send fifteen participants to the University of Wisconsin from July 24 to July 31, 2009.
- Winrock, Georgia — to send two participants to the Global Workshop on Grid-Connected Renewable Energy in Washington, DC, August 28 – September 5, 2009.
- Georgian State University, Institute of International Business — to send one participant to Atlanta, Georgia for the Establishment of a PhD program in Business Administration at Caucasus University in Tbilisi, Georgia. The program dates: August 6, 2009 –August 6, 2010.
- John Snow International — to send three participants to the study tour at the Reproductive Health, in Baltimore, Maryland and Washington, DC, August 15-26, 2009.
- Georgian State University, Institute of International Business — to send one participant to Atlanta, Georgia for the Establishment of a PhD program in Business Administration at Caucasus University in Tbilisi, Georgia. The program dates: August 10, 2009 – December 20, 2010.

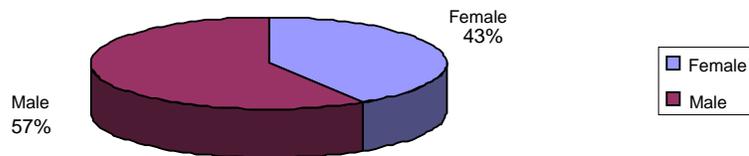
The total number of participants processed under Participant Processing Services for the reporting period was 17 male and 11 female.

VII. 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.

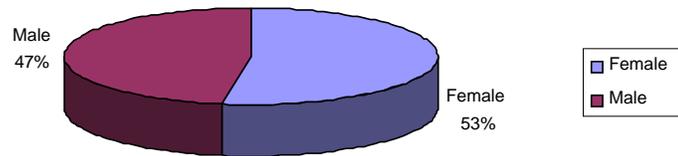
During the reporting period **FORECAST/Georgia** processed 277 participants, out of whom 119 were female (43%) and 158 male (57%).

FORECAST/Georgia pax processed during the reporting period



The total number of the participants processed to date is 1149, of whom 605 (53%) were female and 544 male (47%).

FORECAST/Georgia pax to date



VIII. 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** did not procure services from any MSIs or HBCUs.

IX. ADMINISTRATIVE OVERVIEW

Procurement

In June FORECAST purchased a printer in accordance with the WL procurement policy. The newly-procured item was labeled with USAID sticker and entered into the WL master inventory list.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September 2007, and approved by the CTO in December 2007. 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

FORECAST continues to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia. During the reporting period 11 partner organizations out of 33 responded. There were 11 programs in total: 11 ICT and 0 TCT. The total number of participants was 279, of whom 111 (40%) were female and 168 (60%) male.

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.

Based on the comments received from the USAID, Washington (November 24, 2008), FORECAST is updating the website's design and content.



USAID
FROM THE AMERICAN PEOPLE

CAUCASUS
FORECAST Project

FORECAST/CAUCASUS

Semi-Annual Report
October 2008 - March 2009

and

Monthly Report for
April 2009

Task Order Number: RAN-I-00-05-00026-00

Task Order Period: August 27, 2007 – May 5, 2011

Submitted to USAID/Caucasus
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April 30, 2009

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Attachments

Attachment I:	Progress Report for Azerbaijan
Attachment II:	Progress Report for Georgia
Attachment III:	Institution Level PMPs
Attachment IV:	Financial Status Report

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

HOUSEHOLD BUDGET SURVEY (HBS) METHODOLOGY DEVELOPMENT, Baku, Azerbaijan, May 22, 2008 – April 30, 2009

In April of 2008, USAID/Azerbaijan requested that the FORECAST program undertake an institutional development program to build on and extend the core capacities of the 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.

Initial program activities focused on the formation of the project's research group, research design, and development of survey questionnaires, and obtaining E-Views 6.0 Standard Edition software program that is a key for quality research analysis. Unfortunately, however, it was not until the ERC began its consultations with local and international partners during the late summer of 2008 that they found that the World Bank had begun planning for a similar survey that was 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. USAID approved an Action Memorandum prepared by FORECAST/Azerbaijan requesting approval for modification of the survey for the activity at no cost to the program. The other components of the program remained the same.

After approval of the survey modification, the ERC experts made trips to 30 locations in the regions of the country in December 2008 and January 2009, where they trained local surveyors and started a pilot survey process using the pilot survey questionnaire. The experts made one more trip to the regions where they checked the information received through the surveys, and worked with local surveyors to remove technical errors and gaps. Finally, the local surveyors conducted the survey using the modified survey questionnaire. The ERC experts made final trips to the regions to monitor the survey and gather questionnaires. In March, ERC received about 2000 completed questionnaires and succeeded to enter the data into SPSS statistical analysis software. In April, the ERC experts will work on processing the information and developing power point presentation about the results of the survey and draft publication reflecting the analyzed survey information. The organization will also prepare to arrange the project results oriented discussion round table and final press conference.

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

The Training Program for Actuaries was one of two interventions aimed at building the institutional capacity of the State Insurance Supervision Department (SISD) of the Ministry of Finance. The goal of the program was to further professionalize the insurance industry in Azerbaijan through the introduction of international standards in actuary accounting. This program not only filled a much-needed gap in the training of actuaries in the country, but also assisted 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 Ministry of Finance and the Azerbaijan Insurers Association organized and conducted the first Actuarial Training Program (Course 1 of a 6-course professional certification series) in Baku, on July 15 – August 8, 2008. Due to the importance of this certification program for the insurance industry in Azerbaijan, USAID/Azerbaijan through FORECAST co-funded two of the actuarial training courses (rerun of the 1st and conduct of the 2nd course). The training methodology used in the training program was developed by Dr. Michael Sze – a renowned actuary certification trainer, and implemented by the group of actuary trainers are from the Actuarial Society of Kazakhstan. This methodology was used for actuary certification program held for the Actuarial Society of Kazakhstan in 2004. The training program consisted of two course modules:

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

The first actuarial training course consisted of three weeks of formal lectures and exercises ending with the Second Qualification Examination for Course 1 on October 12. This was followed by one additional week of review ending with the Third Qualification Examination for Course 1 on October 17. Each week consisted of five days of teaching, followed by a Mid Term Examination. Each teaching day consisted of two lectures in the morning, and a tutorial followed by a test session in the afternoon. Thirty participants attended the course and 13 of them passed the Qualification Examination, a percentage better than that found in similar courses offered in other countries by the training team.

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

The second actuarial training course consisted of three weeks of formal lectures and exercises ending with the First Qualification Examination for Course 2 on November 22. This was followed by one additional week of review ending with the Second Qualification Examination for Course 2 on November 29. Each week consisted of five days of teaching, followed by a Mid Term Examination on Saturday. Each teaching day consisted of two lectures in the morning with a tutorial followed by an exercise session in the afternoon. Twenty five participants attended the course, 18 of whom passed the Qualification Exam on November 22, 2008, 6 passed the exam on November 28, 2008 and one participant failed to pass both exams. The results were considered by the trainers as exceptionally good.

The program has significantly helped the State Insurance Supervision Department in advancing its work. The SISD has gained the following advantages as a direct result of the efforts of the FORECAST program:

- SISD has obtained very valuable new KSA resources to effectively supervise local insurance companies and has started making plans on developing the actuarial profession in Azerbaijan through the replication of the 1st and 2nd module, and organizing 3rd and 4th modules in 2009.

These plans also include developing licensing procedures for actuaries to be implemented in the future.

- The program trained 4 local trainers to independently conduct the first and second module of the Actuarial training program in Azerbaijan. The department will now be able to organize these trainings on a regular basis for insurance companies, banks, other financial institutions. The SISD will conduct the first module of this training in January.
- Local insurance companies and commercial banks have changed their attitudes regarding the actuary profession; several of them have already opened vacancy for such.
- The program now allows the SISD to work with the International Association of Insurance Supervisors (IAIS) on advancing international standards on the actuary profession in Azerbaijan.

MANAGEMENT INFORMATION SYSTEM (MIS) AT THE STATE INSURANCE SUPERVISION DEPARTMENT, Baku, Azerbaijan, November 7, 2008 – January 9, 2009

Technical Assistance on MIS at the State Insurance Supervision Department was the second intervention aimed at building institutional capacity of the State Insurance Supervision Department (SISD) of the Ministry of Finance. The technical assistance was targeted at identifying the most suitable vendor and MIS software/hardware for the SISD MIS system to automate the regulatory functions of the department that was required for its proper and efficient institutional performance.

The objectives of the TA were to assist the SISD in preparing a Request of Proposals (RFP) for procurement of the applicable MIS software and hardware for the automation of financial reports and other information produced by local insurance companies; and to assist the SISD in reviewing and selecting the appropriate vendor for the procurement of the department's MIS software/hardware.

The TA consisted of two stages:

The first stage included preparation by the provider of a detailed tender and RFP in consultation with the SISD and MoF, and in accordance with the specifications and directions provided by the previous USAID-funded assessment. In addition, the provider was responsible for research and contribution to the preparation of a comprehensive list of qualified potential vendors to whom the RFP was eventually released and development of a transparent and detailed set of criteria for evaluating responses to the RFP and for determining the winning (most competitive and appropriate) bid.

During the second stage, the provider assessed the proposals/tenders of all potential bidders, served on the procurement selection committee and prepared a formal evaluation document to support the award on behalf of the SISD.

The provider submitted the tender and RFP for the MIS procurement. The provider also presented evaluation criteria for awarding the contract, summary evaluation of all bids received, based on functional and technical capabilities and recommendation of the most appropriate and competitive MIS system.

Announcement of the Request for Proposals has not yet taken place since its approval procedure by the Ministry of Finance leadership has taken longer than originally anticipated. Per FORECAST negotiations with the SISD leadership, the Ministry of Finance will announce the RFP soon - most probably in May. Therefore, the provider has also not yet conducted an evaluation of proposals (the final deliverable). However, there is no doubt that the expert, Mr. Naresh Duggal, will fulfill his responsibilities of delivering offsite consulting on evaluation of the proposals when they are received.

ANNUAL AUDIT, RISK AND GOVERNANCE CONFERENCE 2008, Copenhagen, Denmark, October 29 – 31, 2008

The Annual Audit, Risk and Governance Conference 2008 was the first of two interventions targeted to support the Corporate Governance Division of the Ministry of Economic Development, which lacked core competencies and knowledge regarding basic technical, regulatory and legislative issues related to corporate governance. The participants were a Head of department and an Advisor to the division.

The goal of the conference was to outline and address the major challenges in audit, risk management and governance faced across the world, as well as to identify future development potentials of the industry. During the program, the participants learned how to: integrate corporate governance, ethics, standards and trust into business strategies; identify and control business risks; enhance dialogue, mutual learning, and competence in the industry; promote innovative and inclusive development strategies, policies and concepts; provide an open platform of experts, practitioners, researchers and policy makers; facilitate exchange of policy issues between businesses, institutions and governments.

As a result of the program, after their return to Azerbaijan the participants have shared the received knowledge with their colleagues in the Ministry of Economic Development. This program provided them with a number of practical ideas on how to encourage local companies to adopt corporate governance principles, and develop a draft of the Corporate Governance Code currently underway.

NATIONAL CORPORATE GOVERNANCE CONFERENCE, Baku, Azerbaijan, January 14 – 16, 2009

The National Corporate Governance Conference was the second intervention designed to support the Corporate Governance Division of the Ministry of Economic Development (MoED). This conference was co-organized and co-funded by the International Finance Corporation (IFC). In cooperation with the Global Corporate Governance Forum (GCGF), the IFC invited international speakers and experts from other countries, where corporate governance standards had been successfully advanced and applied.

The goal of the conference was to introduce the participants to corporate governance principles as well as assist the Corporate Governance Division identify perspectives and a framework for the advancement of corporate governance in Azerbaijan.

The intervention consisted of a one-day Conference on “Corporate Governance Codes and Benefits of the Corporate Governance Practices for Azerbaijani Companies and Banks” and a two-day Workshop on “Developing and Implementing Corporate Governance Codes of Best Practices”.

The conference significantly supported the Corporate Governance Division of the MoED in promoting corporate governance standards in Azerbaijan by involving internationally known professionals, exchange of practical experience existing in various countries, and most importantly increasing awareness of local businesses about advantages of utilizing these principles in their companies. The Division and the task force that was created within the MoED for creating and implementing corporate governance code in the country have now built working connections with international experts as well as local businessmen to involve them in the process of developing Corporate Governance Code in Azerbaijan.

The workshops were attended by representatives of Kazakhstan, Bulgaria, South Africa, Tajikistan, the European Union as well as international organizations such as the Global Corporate Governance Forum, Organization for Economic Co-operation and Development and attracted attention to the corporate governance development process in Azerbaijan. The task force members discussed concrete learned lessons from these countries and were able to plan some measures for Azerbaijan such as

making additional specific attachments to the Code separately for local private financial institutions and government owned enterprises, inviting new members from other institutions to join the task force, setting realistic timelines for their work. Very importantly, the Conference helped to increase number of stakeholders and partners to promote the standards in Azerbaijan, from government (such as the State Committee on Securities, and Azerbaijan Investment Company) and private companies. This resource will very much help the Division after the Code is adopted and its implementation starts. The Code will improve general management, risk management, financial reporting, transparency, meeting the interests of shareholders in local businesses.

DEVELOPMENT OF AZERBAIJAN MICROFINANCE ASSOCIATION (AMFA) HR STRUCTURE AND SYSTEM, Baku, Azerbaijan, October 13, 2008 – November 21, 2008

Development of the AMFA HR Structure and System was the first of three interventions to support the institutional development of the Azerbaijan Microfinance Association. The goal of the program was to improve the human resources (HR) management of the association in its capacities to increase staff efficiency and motivation, and reduce personnel turnover. The intervention was conducted in four phases as follows.

The first stage consisted of surveys and initial analysis:

- Among AMFA staff: the *AMFA Employee Survey and Twelve Motivation Factors Survey*.
- Among AMFA management/leaders: the *Manager-Once-Removed Rating Form* and *Leadership Self Assessment Form*.
- Among AMFA Board members: *Client Satisfaction Survey*.
- A Job Analysis Questionnaire was also conducted among all AMFA staff members to identify core requirements, and knowledge, skills and abilities for each job positions at the AMFA.

The second stage was a midterm discussion with primary stakeholders of the assessment findings and included discussion of gaps and their root causes determined during the assessment, as well as a discussion of draft recommendations with the Executive Director.

The third stage was the development of customized HR tools: based on results from the above survey, recommendations about an incentive system at the AMFA were prepared and discussed. As a result of discussions with the Executive Director, and AMFA's Strategic Planning Expert, an incentive system was agreed to and the *AMFA Employee Incentive Policy* was developed.

The fourth stage was to improve AMFA HR policies and procedures. All HR- related Policies and Procedures were reviewed, the necessary revisions/amendments were made, and new policies/procedures were developed.

One specific success of this project was achieving the goal of providing AMFA with an Effective Staff Performance Management System through the AMFA Employee Incentive Policy/Procedures and Employee Performance Appraisal System. The only significant difficulty faced by the TA provider during the project accomplishment was collecting information by survey questionnaires from AMFA member organizations.

STRATEGIC PLANNING FOR AZERBAIJAN MICROFINANCE ASSOCIATION (AMFA), Baku, Azerbaijan, October 27 – 31, 2008

Strategic Planning for AMFA was the second intervention designed to support AMFA's institutional development. The goal of the technical assistance was to strengthen the long-term financial sustainability of AMFA.

The TA consisted of the following stages:

- Development of the 2009/2010 AMFA Strategic Plan - During this stage, the provider met with member MFIs to gather feedback on AMFA's progress and the ability of AMFA to meet their current needs; and with AMFA employees and board members to brainstorm on AMFA's strategic direction, opportunities, and risks for the upcoming 2-year strategic plan. In addition, the provider analyzed the current challenges facing the business, and conducted an analysis of AMFA's financial management.
- Development of AMFA guiding principles for the private sector on the value of participating in AMFA's endowment fund. During this stage, the provider identified key criteria for private sector funding, and developed a business plan with AMFA to more effectively target key national and multinational companies. In addition, the TA organized and facilitated a working session with key private sector decision makers to form an AMFA Executive Panel, through which the provider developed an action plan to solicit support for the AMFA Endowment Fund. The provider also developed an action plan on products and services for AMFA to develop on a fee-for-service basis.
- Evaluation of the recommendations received from a local HR company on employee incentive programs. During this stage, the provider reviewed and provided feedback to AMFA on proposals that fit AMFA's needs, and assisted the AMFA staff in setting individual goals for their 2008/2009 performance.

The following recommendations were made as a result of the program:

1. Talent Management and Retention – Developing the AMFA staff.

It has become more and more important that AMFA focus on providing developmental opportunities to its staff, since salary alone will not retain them. A well ventilated work space, with adequate light and room temperature, with enough space for the staff to effectively do their work, will be key to talent retention.

2. Development of a P&L framework

AMFA's next step in financial rigor is to understand the contribution margin for each of its projects. It is recommended that AMFA source a volunteer with a background in financial management to assist AMFA in setting up the templates needed to conduct this analysis.

3. Commissioning a Report on "The Impact of the Financial Crisis on the Microfinance Market in Azerbaijan".

AMFA has a unique opportunity to develop a leading edge report which examines the impact of the financial crisis on the microfinance market in Azerbaijan. The report would examine the MFIs, their portfolio impacts and techniques they are employing to mitigate exposure and risk. This could also focus on key recommendations on how the government and MFIs can further strengthen the microfinance market moving forward.

4. Development of an AMFA Endowment Fund

An ongoing concern is the dependency of AMFA's budget on donor grants. While donor grants will always be a core component of AMFA's gross income, it will become more and more crucial that they diversify their gross income sources to reduce risk. An AMFA endowment fund is one way to stabilize AMFA's income and to ensure a steady income stream.

To date, AMFA has done a great job in trying to realize the recommendations made by the provider. None of them have been completed, but all are in process. Below is a brief list of projects they are working on currently:

1. AMFA has signed a contract with International Finance Corporation to receive trainings on leasing through 2012. The trainings will be held annually; the first one will be held in February of 2009.
2. AMFA will contract a training portfolio (multi-level) program from Adventures World (AW), a training organization. In March the leadership plans to identify AW's training courses to be conducted in Azerbaijan and then sign a contract with this organization.
3. The personnel incentive system has been developed and will be considered by AMFA's Board in March.
4. The membership fee scheme has been revised. It used to be a fixed amount for each organization, but the membership fee will now depend on the member organization's assets (with categories of organizations with assets higher than 5.000.000 AZN, and less than 5.000.000 AZN). Thus the membership fee has been increased for some organizations; but nevertheless all of them enjoy the same services.
5. AMFA started preparation work for commissioning a report on "The Impact of the Financial Crisis on the Microfinance Market in Azerbaijan". By the end of March they anticipate to find a donor organization to fund this unique research report.

EUROPEAN MICROFINANCE WEEK, Luxembourg City, Luxembourg, November 12 – 14, 2008

European Microfinance Week was the third intervention targeted at AMFA's institutional development. The goal of the program was to facilitate the exchange of information and promote cooperation among various European and non-European actors involved in microfinance in developing countries.

Over 300 people from across the microfinance spectrum in the wider European region attended the Fourth European Microfinance Week. The event was characterized by lively and enthusiastic debate both within and between different groups of European microfinance actors working in developing countries. Members of e-MFP (European Microfinance Platform) included banks and financial institutions, government agencies, NGOs, consultancy firms, researchers and universities.

The conference offered both panel and interactive discussion sessions designed to allow attendees to learn more about microfinance strategies of fellow attendees, to share experience regarding topics of interest, and to participate in e-MFP working groups that explore various topics.

The theme for the 2008 meeting was Frontier Issues in Microfinance - opportunities and challenges for European actors. The focus was on the topics on social responsibility, food crisis, technology, international and local funding, reaching the most vulnerable, risk and disaster management, micro insurance and social security.

The Azerbaijani participants were the Research Manager and Benchmarking Project Manager of the AMFA.

STUDY TOUR ON U.S. AGRICULTURAL AND TECHNICAL EDUCATION, Ardmore, OK, USA, December 1 – 5, 2008

A group of eight participants attended a Study Tour on US Agricultural and Technical Education conducted in Ardmore, OK on December 1 – 5, 2008. The participants were two representatives from the Ministry of Agriculture, two from Ministry of Economic Development, two from the Ministry of

Ecology and Natural Resources, one from the Ministry of Education and one from the Azerbaijan Ganja Agricultural Academy.

The goal of the study tour was to allow government institutions involved in regional and agricultural development the opportunity to examine ways providing of agricultural and technical education support for non-oil sector areas, and the appropriate role of the public sector in supporting market-based sustainable agricultural development.

During the study tour the participants visited the Noble Foundation where they received a general introduction to the foundation, including its purpose, structure, funding, services available and impact on private sector-led agricultural development. The participants also learned the role of the Foundation in providing critical support services designed to promote sustainable market-based agricultural development, critical challenges facing agricultural producers/processors in improving market access in a competitive global context; the and key role of market information and research/extension services within this context. While at the Noble Foundation, the participants also attended a problem-solving workshop on problem identification, presentation, and resolution.

The participants also visited Oklahoma State University (OSU), where they discussed animal medicine and partnership ideas for educational institutions, which would provide a transformational impetus for the development of a best practices-oriented agricultural educational/training system for Azerbaijani students.

The participants have expressed their interest to establish cooperation between their institutions and the Noble Foundation. They noted the importance of applying the experience they learned during the study tour in the following fields:

- Scientific cooperation with farmers;
- Creating human resources in the veterinary field;
- Designing agriculture educational curriculums;
- Government support for agriculture development;
- Social partnerships with government;
- Scientific laboratories for agriculture.

TECHNICAL ASSISTANCE (TA) ON EXTERNAL DEBT TRACKING FOR THE CABINET OF MINISTERS, Baku, Azerbaijan, December 5, 2008 – January 14, 2009

The overall objective of the TA to the Department for Coordination of Credits with State Guarantee, Technical Assistance and Grants (DCCTA) in the Cabinet of Ministers (COM) of Azerbaijan Republic was to prepare a detailed road map for developing and establishing an external debt management, tracking and analysis system. To achieve this the technical assistance (TA) was required to assess and make recommendations for improvement in respect of the existing legal and regulatory framework on external debt management and the current external debt tracking system located in Ministry of Finance (MOF) as well as to provide training in external debt tracking and management.

A Crown Agents team visited Baku from 8th to 20th December 2008 and a follow-up visit from 12th to 16th January 2009 was undertaken to finalize and present the findings of the TA. The TA consisted of the following stages: an institutional assessment, legal review, delivery of capacity building and a review of the current debt system in place.

Following a briefing meeting with USAID and FORECAST the following activities took place: an institutional assessment based on meetings with local stakeholders, a legal review centered on debt-related legislative documents provided, and delivery of two short capacity building sessions. In addition

a meeting was arranged with the State Secretariat for Economic Affairs (SECO). The findings from the TA were presented to all stakeholders as well as USAID, FORECAST, SECO and International Monetary Fund (IMF) on the last day of the second mission.

In carrying out the institutional assessment, meetings took place with the COM, the primary stakeholder for this TA as well as the Ministry of Finance (MOF) and Ministry of Economic Development (MOED), given their roles in debt management in Azerbaijan. In addition two other stakeholders, the Ministry of Justice (MOJ) and National Bank of Azerbaijan (NBA), were consulted. The mission met specifically with the Deputy Head and the Senior Adviser of the DCCTA in the COM; the Head Chief of the Infrastructure Projects Finance Department (IPFD), the department currently responsible for debt management in the MOF; the Deputy Director of the Foreign Economic Relations Department (FERD) in the MOED; the Deputy Head of the Legislation Department and senior advisers in the Ministry of Justice (MOJ); and at the National Bank of Azerbaijan (NBA) the Executive Director and Director of Balance of Payments.

The comprehensive set of debt-related legal documents provided drove the legal review. In terms of capacity building DCCTA staff was available for two two-hour sessions during the first mission.

The consultants also met with the Deputy Regional Director and National Program Officer from the Swiss Cooperation Office for the South Caucasus (SECO). SECO briefed the consultants on the debt management projects that they together with the IMF as implementing agency had delivered in the region and for the consultants to brief SECO on this TA. SECO and IMF have delivered two debt related projects in the region, including Azerbaijan.

Several factors impacted the effectiveness of this TA. The consultants did not have access to the debt system in place in the MOF and limited responses were received from stakeholders to the questionnaire submitted prior to the commencement of the TA. Lack of access to the debt system limited capacity to meet the overall objective of the TA, the preparation of a road map for developing and establishing an external debt management, tracking and analysis system. The TA and the final report therefore focused on the institutional assessment, legal review and delivery of capacity building. Capacity building was delivered to COM during the time made available by staff. Consultants were not able to have follow-up meetings with staff to make a more detailed assessment and for resolving any outstanding issues arising following the initial meeting.

On the last day of the second mission, the consultant presented the findings of the TA at the Park Hotel, Baku to local stakeholders from COM, MOF, MOED, MOJ and NBA as well as USAID, World Learning, SECO and IMF.

STUDY TOUR TO CASH OPERATIONS CENTER, Atlanta, GA, January 26 – 28, 2009

The goal of the Study Tour to Cash Operations Center of the Federal Reserve Bank (FRB) of Atlanta was to assist the National Bank of Azerbaijan in building technical capacities for designing, equipping, and managing a modern cash operations center. The participants were the Head of the Cash Operations Department, the Head of the Security Department, and the Head of the Storage Department at the National Bank of Azerbaijan.

The program components were the following:

- Access restrictions, custodial inventories, outsourcing, and other new FRB policies
- Organization and management recommendations for new cash center planning and implementation
- Joint custody team rules as applied in the FRB

- On-line note destruction, off-line destruction and handling of rejects and notes that cannot be machine processed
- Cash Management System functional description
- Management of banknote fitness in circulation
- FRBA cash operations organization structure
- Visit to a Cash Transportation Company

The participants of the study tour expressed satisfaction with the organized study tour as their expectations were met in learning the practice of planning and implementing a cash operations center. They were able to learn major functions of such center that is cash processing, cash storing and client service. Recent USAID funded project implemented in the National Bank gave recommendations on creation of the cash operations center in Azerbaijan that were effective in opinion of the participants. NBA asked USAID and its partner Bank World Inc. to organize a study tour to a country where they could practically learn operations of cash operations center. Bank World Inc. recommended that the participants learn the experience of Federal Reserve Bank of Atlanta. As participants described, they were able to see and study work of cash operations center in Federal Bank Reserve, in commercial bank of Vacovia, and see all the business operations in the system. They also could meet and study the work of the Briggs company which provide security services. They received a presentation which described how the security systems work in cash operations center.

The participants expressed their wish to continue studying other cash operation centers in Europe such as in Hungary to gain more practical experience before they start actively operating cash operations center in Azerbaijan. Azerbaijan already has good experience in cash processing but still needs experience in planning and implementation of cash operations center.

TECHNICAL ASSISTANCE (TA) ON ENVIRONMENTAL POLICY/INSTITUTIONAL REFORM ASSESSMENT, Baku, Azerbaijan, February 28, 2009 – April 30, 2009 – in progress

The goal of the Technical Assistance on Environmental Policy / Institutional Reform Assessment is to assist the Ministry of Ecology and Natural Resources (MENR) in promoting cost-effective and comprehensive compliance of environmental protection standards in the air/soil/water pollution and solid waste management areas.

The technical assistance consists of the following components:

- Stage I: US state-side review of available documentation and preliminary interviews (completed);
- Stage II: In-country site visits, interviews, and survey administration (completed);
- Stage III: Development of recommendations for action (completed);
- Stage IV: Preparing and delivering Final Presentation on project results (in progress)

Upon completion of the first three stages, the provider presented their MENR Institutional Analysis report.

According to the report, the framework environmental legislation that is the foundation for environmental protection in Azerbaijan is ambitious and broad, embracing many key concepts for sensible environmental policy. Moreover, Azerbaijan has ratified a large number of international treaties related to environmental and natural resources protection. The state also has in place a system of emissions fees that, prima facie, reflect standard practices in industrializing economies. However, there are serious gaps in the law and in implementation, most notably:

- A lack of specific risk-based standards and regulations to control discharges to surface water and groundwater from point and nonpoint sources; to control discharges to the air from stationary and mobile sources; and to regulate municipal waste generation and disposal;
- A lack of specific risk-based standards for ambient air and water pollution levels;
- Pollution permission review procedures that do not fully consider the impact of new sources on ambient air and water pollution levels or risks to human health;
- An emissions fee structure that is still denominated in old (rather than new) manat; is not transparent to polluting enterprises (applicants for ecological passports and maximum allowable discharge permits); and is applied in manner that does not provide incentives for enterprises to adopt new and innovative emission abatement technologies;
- Nonbinding rules and rules for the submission of environmental impact assessment (EIA) documentation for new enterprises;
- A general lack of accessibility and transparency in environmental laws, the review process and the fee structure.

Addressing these issues will not only enhance environmental protection, by reducing transaction costs associated with environmental planning and compliance, it will lead to a more efficient, productive and innovative private sector.

The team also examined environmental monitoring capacities and practices in Azerbaijan. Ideally the country would have a system that monitors environmental releases at the point of discharge and use ambient monitoring to determine how effective that system is at improving or protecting Azerbaijan's air, soil, water, natural systems, and built environments. The results would provide a spatial and temporal picture of pollution activities and levels. The information from the ambient monitoring system, in turn, would be used to evaluate applications for permission from new or expanding enterprises.

Consistent with earlier evaluations (performed by international organizations and international financial institutions), the consulting team found that the monitoring system suffers from ambiguous roles and responsibilities for the multiple units that are involved in monitoring. To some extent the ambiguities derive from the historical roles of the units. But some problems stem from ambiguities in the purposes of the monitoring efforts – the intended uses of the data that are collected and analyzed. The team found that the monitoring program could be improved by:

- More clearly defining monitoring methods and protocols;
- Redesigning the monitoring system in conjunction with adopt risk-based ambient and discharge standards;
- Increased use of environmental modeling for the purposes of estimating environmental risks, prioritizing problems, and making more informed decisions;
- Clarification of roles of each monitoring unit that builds on the comparative advantages of each;
- Development of a central database to help staff coordinate and evaluate environmental information.

The team also detected two related institutional issues that MENR might choose to address. Within the organization, there is a lack of coordination and communication among units. This is manifest in the monitoring program as discussed above, but also in the process of reviewing applications for pollution permissions and in interactions (or lack thereof) between permitting authorities and inspectors. Second, externally, interactions between MENR and its collaborators and stakeholders suggest a less than optimal set of working relationships – problems that are related to concerns mentioned earlier. Enterprises, for example, grapple with information gaps (e.g., they do not understand MENR

regulatory practices nor have knowledge of pollution tariffs); these problems are exacerbated by a lack of collaboration and coordination across MENR departments and offices. Considering that working relations among MENR units is suboptimal, it is unsurprising that some of the same problems crop up in MENR's interactions with external constituencies, including not only regulated entities, but also partners in international organizations. Overall, the problems are indicative of a degree of centralization that may cause line units in the ministry to feel they do not have a major role in decision-making. This sentiment dampens units' willingness to learn about the scope of work and practices of sister units in MENR. It also reduces prospects for collaboration among units, including on vital projects like the clean-up of oil contaminated lands.

To rectify these problems, the consulting team made a series of recommends that can be found in the provider's report.

On April 26, 2009 one of the consultants, Mr. Matthew Auer, will arrive to deliver a detailed presentation on project results to the GoAJ, USAID and other stakeholders.

GOVERNING JUSTLY AND DEMOCRATICALLY

BUILDING NGO ACCOUNTANCY CAPACITY, Baku, Azerbaijan, December 23, 2008 – January 30, 2009

The goal of the Building NGO Accountancy Capacity training intervention was to strengthen institutional capacities of local NGOs in meeting internationally accepted standards in financial management, accounting and internal audit.

The program included technical assistance for selected USAID partner local NGOs on the following::

- Overall Assessment of all aspects of the organizations that impact financial management and accounting systems;
- Trainings on best practices of financial management customized with the needs identified during the assessment;
- Development of workplans to improve the areas identified as weaknesses during the assessment;
- On-the-job TA and mentoring included assistance with development, introduction and implementation of policies and procedures in financial management;
- Follow up assessed progress-to-date; evaluated the quality of TA provided; developed the final organizational capacity index; proposed actions for further development. (within one month following the completion of training).

The training provided an overview of financial management and the practical tools that can help build the financial capacity of non-profit organizations. Through lectures and exercises, the training covered in detail the principles of international accounting standards and described various models and approaches to develop the financial accounting system of an organization. It also detailed tools and techniques for using financial skills to improve organizational and program management.

The training focused on how an organization manages its resources, plans, and documents, and analyses its resource usage, identifies potential for additional resources, and tracks the flow of finances in conformity with local laws and regulations as well as donor requirements. In particular, the training focused on two primary documents that outline how an organization ensures financial accountability and management: (1) accounting procedures; (2) financial management guidelines. These systems are critical because developing and following transparent cash management, accounting, and financial

management systems with ample checks and balances and different levels of authority assist organizations to minimize fraud and increase cost efficiency and effectiveness.

The following deliverables were provided by the provider:

- **Guidelines for developing a Finance Manual for NGOs** – a tool to be used by NGOs to develop the necessary systems, policies, procedures, and overall financial management capacity to secure their own resources.
- **Finance Manual/ Financial Management Policies and Procedures** – guidelines for a finance handbook or manual that describes in detail all policies, procedures, systems, and templates used for financial management that meet all minimal international accounting standards of donors and government.
- **Training Materials/Handout** – to be used by finance staff of NGOs to review existing materials and to adapt these modules to the Azeri context, as necessary.

Participants in the technical assistance program include finance staff of the following local organizations:

1. “Multimedia” Information Technologies and Systems Center
2. Global Economic Researches Center
3. Azerbaijan Marketing Society
4. Praxis
5. Ganja Regional Women Center (Ganja)
6. Economic Research Center
7. Women’s Bar Association
8. Election Monitoring Center
9. Rational Women’s Association
10. Society for Protection of Women Rights (named after Dilara Aliyeva)

Two of these organizations (Praxis and Multimedia) did not attend the capacity building training on financial accountability for NGOs, despite the fact that they took part in the assessment and registered for the training a day before.

INVESTING IN PEOPLE

ISO 9001:2000 QUALITY MANAGEMENT SYSTEMS – REQUIREMENTS, Baku, Azerbaijan, October 25, 2008

The *ISO 9001:2000 Quality Management Systems – Requirements* training was the second intervention conducted to support middle management and technical staff of Public Health and Reform Center (PHRC). The participants were 13 employees of PHRC.

The goal of the one-day training was to educate the top and middle management of the PHRC on quality management systems and to assist them in the development and implementation of the National Quality Improvement Strategy in the health sector.

The participants learned about modern internationally-recognized certification processes. During the training they gained information about ISO, its purposes and structures, ways and standards of quality management, quality control and certification processes. The training was particularly relevant because

all the topics were tailored for the health care providers and the trainer used case studies and examples from health care situations.

Participants were particularly interested in issues of quality control. PHRC is closely involved in designing the quality control tools for health care workers, thus information on relevant standards was noted as extremely helpful. Trainees will use this knowledge in their future work while developing quality control tools and mechanisms.

LEADERSHIP IN STRATEGIC HEALTH COMMUNICATION WORKSHOP, Baku, Azerbaijan, February 23, 2009 – March 3, 2009

Leadership in Strategic Health Communication is another intervention designed to support the further development of Public Health and Reforms Center. The goal of the program was to improve the PHRC's institutional capacities to design and manage effective behavior development communication and advocacy programs in the public health sector.

The 18 participants included representatives of PHRC, the Ministry of Health Public Relations Department, the local NGO Hayat, the Blood Donors Association, the Open Society Institute, the USAID ACQUIRE Project, and the Institute of Lung Diseases.

The workshop focused on leadership principles and the strategic planning process for designing health communication programs. There was an appropriate mix of theory and practice with ample opportunities for practical exercises. The workshop used a wide range of learning techniques including use of the widely acclaimed and highly innovative SCOPE (Strategic Communication Planning and Evaluation) software. Participants actively engaged in role plays, team exercises and group discussions. The workshop consisted of six phases: analysis, strategy design, development and pre-testing of materials, implementation, monitoring and evaluation. To help bring coherence to the many ideas shared in the course, ten overarching themes were used and discussed repeatedly in the workshop for emphasis. These were:

- To change others, we may have to change ourselves first.
- Learn to listen, listen to learn.
- Knowledge grows.
- Communication is a process.
- Solve problems in stages.
- Think big, start small, act now.
- Focus demands sacrifice.
- Team works.
- Quality costs less.
- Believe you can make a difference and you will.

The intersection of leadership and communication was discussed thoroughly in the workshop. A key learning point is that leadership is critical for transformational change - whether one is creating a new institution or changing an old one. Leaders are needed at every organizational level to nurture innovation and learning.

Another key workshop theme was to appreciate that to change the way we act, we must change the way we think. A first step is to change our "mental model" of the "health system" – from believing that Ministries of Health (with their doctors, nurses, hospitals, health centers, etc.) produce health to recognizing that households and communities are the primary producers of health.

The workshop also focused on the importance of non-material resources such as leadership, creativity, teamwork, discipline, resourcefulness, shared vision, social capital, etc. While material resources are also necessary, the discussions noted that non material resources have the following characteristics:

1. They do not require parliaments or donor agencies to support them
2. They do not get depleted when used but actually may increase
3. Can be used to generate material resources
4. Have no practical limits.

Plenary sessions and SCOPE exercises encouraged team learning. The concepts discussed in the morning sessions, were reinforced during the afternoon SCOPE exercises. The participants worked in groups of five-seven people on a health communication program with the help of the interactive training software – SCOPE. This provided a simulated country environment where the groups were given the opportunity to develop a health communication strategic plan working within the parameters of theory based formative research, pre-determined budget and timeline. This encouraged the participants to work creatively and plan strategically – making the most of the available resources (material and non-material) and seeing the benefits and challenges of group work, first hand.

A workshop evaluation questionnaire documented the highly positive feedback from participants. The workshop was also evaluated through informal discussions with participants.

PROGRAM AND PROJECT SUPPORT (PPS)

STUDY TOUR FOR THE MINISTRY OF FOREIGN AFFAIRS (MFA), Washington, DC, USA, May 19 – 22, 2009 – in progress

The goal of this program is to increase the capacity of the Azerbaijan Ministry of Foreign Affairs to systematically respond to official requests for intergovernmental, bilateral, and multilateral communication, as well as for coordination of foreign development assistance in a manner that is effective and efficient.

The directors of MFA General Secretariat (MFA-GS) and Foreign Aid Policy Division (MFA-FAPD) as well as key support staff will travel to the United States to meet with the appropriate offices within USAID, the Department of State Executive Secretariat, and other identified entities to see first hand how similar functions are handled. They will receive in-person instruction on how the United States Government effectively drafts and coordinates written materials for the Secretary, monitors worldwide diplomatic communications, facilitates communication between the department and US diplomatic posts worldwide, and administers overseas development assistance.

MFA-GS will have meetings with the following offices within the State Department and USAID:

- 1) The Department of State Executive Secretariat
- 2) Executive Secretariat Operations Center
- 3) Executive Secretariat Office of Correspondence and Records
- 4) USAID Bureau for Europe and Eurasia Executive Office
- 5) USAID Executive Secretariat (if applicable)

MFA-FAPD will meet with the following offices within the State Department, USAID, and other entities:

USAID:

- 1) Office of the Director of Foreign Assistance
- 2) USAID Europe and Eurasia (E&E) Desk
- 3) E&E Executive Office
- 4) Office of Transition Initiatives
- 5) Office of Foreign Disaster Assistance
- 6) Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) E&E Representative
- 7) Global Health (GH) E&E Representative
- 8) Bureau for Economic Growth, Agriculture and Trade (EGAT) E&E Representative
- 9) Bureau for Legislative and Public Affairs (LPA)
- 10) Office of Acquisition and Assistance (OAA)
- 11) DCHA Food Security
- 12) Global Development Alliance

Department of State:

- 1) U.S. Department of State's Bureau of European and Eurasian Affairs, Humanitarian Program (EUR/ACE)

Other Entities:

- 1) Department of Justice Office of Development Assistance
- 2) Department of Agriculture Office of Development Assistance
- 3) Department of Commerce Office of Development Assistance
- 4) Relevant World Bank Offices
- 5) Millennium Challenge Corporation
- 6) UNDP South Cooperation
- 7) UNDP Regional Bureau for Europe and CIS

Georgia

ECONOMIC GROWTH (E&G)

CHAMBER OF COMMERCE AND INDUSTRY OF GEORGIA

The technical assistance (TA) at the Georgian Chamber of Commerce and Industry (GCCCI) program aimed to assist the GCCCI 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 launched 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 WO'IRA, conducted introductory meetings and consultations at the GCCCI 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.

The first/suspended phase of the program restarted on October 4. During the first week of this phase the lead consultant, Ms. Irena Rezec finalized the assessment of the GCCCI. Ms. Rezec also conducted practicum training, mentoring and consultations at the Chamber on the following topics:

- Business opportunities exchange approach;
- Export Promotion Unit;

- Business information sources in a Chamber of Commerce's daily practice;
- Internal ICT tools in a daily business.

Ms. Rezec also traveled to Batumi to conduct similar activities in the regional chambers.

From October 14 Ms. Rezec was assisted by Mr. Thei Vaes, business development and marketing expert, who concurrently worked with the central Chamber office in Tbilisi, and the Telavi chamber. The first phase ended on October 17, 2008.

The second phase of the activity started on November 3, 2008. Ms. Irena Rezec, assisted by Mr. Wieger D. Otter, expert in business planning, worked with the GCCI on the following issues: the business plan preparation, recommendations on the future activities, sustainability issues. Meetings were also held with a number of international donor organizations where the potential cooperation with the GCCI was discussed. On November 6, during the first debrief meeting, the consultants presented their preliminary findings to FORECAST.

The TA was completed on November 11, 2008.

On December 9 WOTRA sent the first part of the final report, including a draft of the action plan for the development of the chamber's services (for three major phases – initial, early-implementation, and self-sustainable phase), as well as estimated budget needed for these activities. The second, remaining part of the final report was sent to FORECAST on December 12. The report included the following:

- Analysis report (September 2008);
- Summary of the internal assessment;
- Recommendations and three possible scenarios for the GCCI and region CCIs development;
- A draft business plan;
- A draft action plan for the three-phase development of the chambers;
- An estimated budget needed for the above mentioned activities.

Please see the *Final Report to USAID* for a detailed review of the outputs and outcomes of the TA program.

NATIONAL BANK OF GEORGIA/HR DEPARTMENT

The goal of the program was to assist the National Bank of Georgia (NBG) to strengthen (and where appropriate develop) its HR management systems. The activity was conducted by the American consulting firm Laurdan Associates, Inc. and the local NGO, SMART Consulting.

SMART Consulting began activities on November 17 and was joined by Mr. Ronald Adler of Laurdan Associates on December 1. The project team analyzed existing HR documentation and designed a draft job matrix. This matrix is based on job evaluation process, which includes grouping different jobs in job families classifying them according to the level of responsibility and functionality. At the same time, the content of the revised HR manual was agreed to and the project team commenced working on it.

After the departure of Mr. Adler, SMART Consulting continued working with the NBG staff on the job classification system, salary schedule, performance based bonus system, and the HR manual.

The program ended on December 30, 2008 and on January 5, 2009 SMART Consulting submitted the following documents to FORECAST and the NBG:

- 1) Recommendations for improving the HR management system at the NBG;
- 2) Recommended performance management and evaluation system;
- 3) Recommended system of classifying and draft salary scheme with fragment of classifier toward NBG positions already analyzed;
- 4) HR training materials provided for the NBG staff;
- 5) English and Georgian versions of HR Policy Manual;
- 6) Recommendations for implementation of Performance Appraisal System in NBG;
- 7) Recommendations on NBG job classification and a standardized remuneration system.

On January 7 Laurdan Associates sent the following documents to FORECAST and the NBG:

- 1) Final report;
- 2) Laurdan Associates HR auditing tool on Job Performance Management.

For more information on this program, please see **Update on Follow-On Funding Activities** below.

GEORGIAN ACCREDITATION CENTER (STUDY TOUR AND CONFERENCE)

The goal of the Georgian Accreditation Center (GAC) program is to improve the GAC Quality Infrastructure System¹ as well as to strengthen theoretical and practical knowledge of management and key staff, in order to facilitate the pre-conditions for the successful integration and recognition of a Georgian accreditation and (eventual) certification regime for international markets. The program consists of the following three components:

1. Study tour to the Latvian National Accreditation Bureau (LATAK);
2. Participation of the GAC General Director in the annual EA General Assembly in Portugal;
3. Technical assistance at the GAC.

The first two components of the program took place in October and November, 2008. The third component will commence on April 27, 2009.

Participation in the ***LATAK Study Tour (October 27-31, 2008)*** gave the Georgian participants an opportunity to:

- Become acquainted with the Latvian legislation concerning conformity assessment. Specifically, the following topics were discussed: duties and responsibilities of LATAK; LATAK structure; distribution of responsibilities; LATAK internal IT system; LATAK in EA MLA; membership in other international organizations ILAC/IAF;
- Participate in the assessment of the medical laboratory. The covered topics include: external quality assurance (EQA) system for medical laboratories; implementation of “ILAC-G13:08/2007 ILAC Guidelines for the Requirements for the Competence of Providers of the Proficiency Testing Schemes”; principals for forming accreditation scopes for different type of conformity assessment bodies; evaluation of independence and impartiality during accreditation of laboratories and certification bodies; provision of traceability of measurement in testing and calibration laboratories;
- Acquire knowledge on LATAK’s daily activities, accreditation processes and decision making. The participants and the LATAK representatives discussed the following issues: questions

¹ **Quality Infrastructure System** - the objectives of alignment on European practices. Quality infrastructure includes central public bodies with regulating functions in the field of standardization.

related to application, preliminary visit, contract, appointment of experts, document control, elimination of non-conformances, assessment, decision making and appeals;

- Acquaintance with the use of ISO 17011 and ISO13528 stat. methods; implementation of EA/ILAC/IAF guidance documentation in LATAK QMS; introduction with the LATAK QMS documentation.

According to Paata Gogolidze, GAC General Director, the positive results of this study tour were:

- Familiarization with all aspects of the implementation and realization of standard requirements in practice (including: quality management system documentation, steps for implementation of international guides in work procedures of the management system);
- Participation in on-site laboratory testing;
- Improvement of basic knowledge about EA/ILAC/IAF requirements;
- Receiving standards and other EA/ILAC/IAF documentation from LATAK (GAC intends to translate important reference materials into the Georgian language).

In other words, the information and knowledge gained during this study tour provided the GAC participants with a better understanding of what documentation and QMS (Quality Management System) processes are required for developing GAC's standards and processes as well as applying for EA membership.

FORECAST also sent the GAC director to the *Annual EA General Assembly (November 17-19, 2008)*. The purpose of this intervention was to:

- Represent GAC at the assembly, and to demonstrate Georgia's willingness and ability to join the EA;
- Express Georgia's readiness to conclude bilateral agreements for assistance and sponsorship with national accreditation bodies from EA member countries;
- Discuss steps and requirements for GAC to sign a cooperation agreement with the EA;
- Obtain information regarding directions, standards and experiences of other countries entering the international accreditation system.

On the whole, participation in these two components of the program gave the participants an opportunity to strengthen the GAC's understanding of the requirements and standards for internationally-recognized accreditation bodies, necessary to gain EA recognition of the center. By acquiring EA membership, the GAC will acquire the right to issue accreditation certificates that will be recognized by all EA countries (i.e.: all EU countries). This will give Georgian products an opportunity to more easily access the EA market.

For more information on this program, please see **Success Stories** below.

INTERNATIONAL SCHOOL OF ECONOMICS (ISET); COMPONENT I: STRATEGIC/BUSINESS PLANNING — In Progress

The goal of the program is to contribute to the growth and sustainability of ISET as a premiere economic institute of higher learning in the Caucasus.

The program consists of the following two components: I. ISET Strategic/Business Planning; II. Financial Management and Accounting, and International/US Auditing.

The first component of the program, conducted by Steven Yeo, Chief Executive Officer of the Centre for Economic Policy Research (CEPR), commenced on January 5, 2009. The work is being carried out in six stages:

1. Review of documentation, developing questionnaire, conducting interview (incl. focus group discussions);
2. Exploration and refinement of strategic options and consultations with stakeholders in Georgia and throughout the region;
3. Preparing the document for the discussion with scenarios reflecting the various strategic options available to ISET and their implications for intellectual and financial sustainability;
4. Organization of a workshop to explore strategic options and sustainability issues with ISET management and staff as well as with other key stakeholders;
5. Preparing report (based on the outcome of the workshop as well as other stakeholders' feedback);
6. Preparing transition plan that will specify how ISET will implement its strategic plan and business plan.

The exploration of the strategic options is completed, as are the consultations with stakeholders in Georgia and Armenia. Consultations with stakeholders in Azerbaijan include exploration of extension teaching in the region and financial prospects for the ISET to do so.

Elaboration of the transition (strategic) plan (to be presented for discussion and approval to the Board) will be one of the main outcomes of the program. Due to the fact that the next regular meeting of the ISET Board is scheduled for July and considering the request of the institute's leadership the final activities of the program were moved to summer.

The RFP for component II: Financial Management and Accounting, and International/US Auditing, is under development. The anticipated timeframe for the component is June-July, 2009.

TBILISI URBAN PLANNING OFFICE, TRAINING OF TRAINERS

The Tbilisi Urban Planning Office, ToT program (January 9-14, 2009) represented a cost share between the Business Climate Reform (BCR) and FORECAST at the request of the USAID mission to cover costs associated with logistical issues. The program aimed to strengthen the capacity of the Tbilisi Urban Planning Office, the Ministry of Economic Development (MoED), and the Municipal Service Providers Association (MSPA) trainers to support professional development of the construction permitting authorities throughout Georgia. However, for conducting trainings on construction permitting and occupancy regulations the Tbilisi Urban Planning Office, MoED, and MSPA staff members first needed to obtain the skills necessary for conducting trainings.

The workshop continued for six days during which the knowledge, skills and abilities of participants in professional training were developed and the capacity of the trainers was qualified to support the professional development of construction permitting authorities throughout Georgia. Additionally, participants made professional contacts with the colleagues from other institutions and developed long-term institutional partnerships.

According to the Head of the Tbilisi Urban Planning Office, the participants of this program will conduct a two-phase training this coming summer for 20 competitively selected interns, with the view to offering the full time employment to those who excel in the program.

The course will include the following topics:

1. Constitution of Georgia;
2. General Administrative Code of Georgia;
3. Law of Georgia on “Basics of Spatial Arrangement and City-building”;
4. Review of Georgian legislation on local self-government;
5. Resolution #140 (August 11, 2005) of the Government of Georgia on “Rules of Issuing Construction Permits and Permitting Conditions”;
6. Order # 1-1/1254 (July 8, 2008) of the Minister of Economic Development on “Approving the Main Provisions on Regulating the Usage of Settlement Areas and Urbanization”;
7. Organizational arrangement and inter-organizational relations (responsibilities, functions, reporting).

After intern training the Tbilisi Urban Planning Office also plans to train their technical staff.

GEORGIAN TOURISM DEVELOPMENT PROMOTION

The greatest challenge facing Georgia’s tourism sector today is still to continue creating and promoting a favorable image of the country abroad, which was dramatically changed for the worse by the August 2008 conflict. At the request of the USAID mission, in March 11-15, 2009 FORECAST funded the participation of five representatives of the Association of Georgian Incoming Tour Operators (a consortium of leading tour operators in the country) at the World’s leading travel trade show, ITB in Berlin and assisted the Georgian tourism sector in mitigating and overcoming the negative impacts of the recent conflict and current financial crisis. The program was in line with the recommendations of the United Nations World Tourism Organization (UNWTO), developed at the recent *ad hoc* meeting of UNWTO representatives and the Chairman of the GoG’s Department of Tourism and Resorts to target specific near-term challenges in both inbound and domestic tourism.

The program aimed at:

- Promoting Georgia in the global travel trade community;
- Broadening partnerships and network with other participants at international tourism trade fairs;
- Negotiating possible future activities with the international travel industry, and international and regional investors;
- Becoming (re)acquainted with the latest trends and developments in the travel industry;
- Presenting country specific and regional tourism products.

The ITB convention hosted more than 180,000 visitors, including 108,000 participants, and over 10,000 exhibitors from 180 countries. ITB Berlin is in fact the largest travel trade show in the world, and the leading B-2-B platform for the tourism industry worldwide.

As reported by the tour companies, the participation of the Georgian delegates at international tourism trade show provided a unique opportunity for Georgian delegation to meet, network, negotiate, expand business agreements, and stay abreast with the latest developments in the travel industry.

PROFESSIONAL TRAINING AND CERTIFICATION PROGRAM FOR NATIONAL FORENSICS BUREAU

In an effort to increase the capacities of the National Forensics Bureau to better interpret the practices of commodity, engineering and construction-technical examinations, the USAID/Georgia mission requested FORECAST to fund participation of the group of experts from the bureau in professional training and professional certification program for real estate appraisers (November 25, 2008 – March 10, 2009). Both programs, developed by the Association for Protection of Landowners Rights (APLR),

enabled trainees (appraisers and valuers) to gain theoretical knowledge and technical skills in the field of real estate appraisal — a technical-legal area that is of priority interest to the MoJ.

The real estate appraisers' training program was designed by qualified experts in conformity with international standards and local requirements as well as within the scope of USAID SME Support Project.

During the training the following issues were addressed:

- Legal aspects of real estate;
- Technical assessment;
- Profession of appraiser;
- Valuation process;
- Highest and best use analyses;
- Preparation of valuation report.

Upon completion of the training program appraisers underwent professional certification (consisting of two stages: testing and practical work) and received the respective certificates verifying their professional qualification and expertise. The valuers underwent only the first phase of the certification. They are given 6 months for taking the second part. Certification program fully complies with the requirements of the international standards ISO/IEC 17024:2006 – General Requirements of the Bodies Operating Certification of Persons.

On the whole, participation in the program provided the participants with an opportunity to improve the technical skills of forensic experts in preparing technical-legal conclusions in accordance with the requirements of international standards. The program also provided the participants with practical guidance on modern valuation methodologies and principles.

ENERGY AND ENVIRONMENT (EE)

OIL AND GAS FISCAL STRATEGIES FOR GOVERNMENTS

The USAID/Georgia Mission has requested that the FORECAST program send the First Deputy Minister of Energy of Georgia to the World Governmental Summit “*Oil and Gas Fiscal Strategies for Governments*”, organized by CWC group in London, UK on February 9-10, 2009. The workshop covered oil and gas financing strategies, energy investment attraction, and oil and gas pricing and taxation, among other issues. This was important for the MoE and the State Agency for the Regulation of Oil and Gas Reserves (SAROGR) because of their oversight functions in exploration and extraction, transportation/transit, export/import, conservation, and processing of oil resources, as well as the MoE's Gas & Oil Agency, responsible for attracting foreign investment to develop Oil and Gas exploration and production in the country.

The following topics were discussed at the summit:

- Oil and gas fiscal strategies;
- Stimulation of investments;
- Oil and gas prices and tax issues;
- Maximizing the value of government revenues;
- Importance of state entities in oil and gas production;
- New fiscal concepts;
- Legal issues;

- Fiscal stability.

In other words, by attending the summit, the MoE became better aware of how to maximize oil and gas resources and revenues generated by the industry – serious contributors to energy security, economic growth and tax revenue in the country.

The summit was open only for high level governmental officials and regulators, as well as for World Bank representatives.

DEMOCRACY AND GOVERNANCE

CONFERENCE ON LEGAL EDUCATION

The Conference on Legal Education was conducted July 18-19, 2008 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.

Below is a short report provided by the ABA:

“The conference ‘Judicial Independence and Legal Education – Two Pillars of a Democratic Legal System’ took place on July 18-19 in the Courtyard Marriott Hotel. Representatives of the GOG, non-governmental sector, judges, legal scholars and practitioners, journalists, international organizations and other actors in the field attended the conference. Furthermore, judges from Romania, Estonia, Germany, Norway and US have spoken at the conference along with two US law school deans. Senior Judge John Walker of the US Appellate Court of the Second Circuit was the keynote speaker of the conference. US Ambassador Teft welcomed the participants of the conference on the first day after the introductory speech by Chief Justice Kublashvili.

The conference addressed significant and important issues related to the judicial reform and legal education. There were panel discussions dedicated to the following topics: The Role of the Judiciary in Promoting and Maintaining the Rule of Law; The Status of Judicial Reform in Georgia; Judicial Independence and impartiality - a view from the trial bench and from beyond the judiciary. The speakers and presenters at the conference were: George Papuashvili, President of the Constitutional Court; Zaza Meishvili, Deputy Chief Justice; Valeri Tsertsvadze, Chairman of the Tbilisi Court of Appeals; Giorgi Khizanishvili, Acting Secretary of the High Council of Justice; Shota Rukhadze, Deputy Director of the High School of Justice; Mariam Tsiskadze, Supreme Court Justice. Public Defender of Georgia, Chairman of the Georgian Bar Association, Chairman of the Georgian Young Lawyers’ Association and Representative of the Mass Media Council provided their opinions regarding the judiciary in Georgia.

The second day of the conference was devoted to legal education reform issues in Georgia, including the importance of developing sound program accreditation standards for law faculties, so that Georgian students receive quality legal education. During his keynote speech, Judge John M. Walker noted that quality legal education is the prerequisite for the rule of law state and the program accreditation is the way to go to make sure that universities are preparing well-trained cadre of legal professionals. During the conference, it became obvious that while there is an overall agreement that program accreditation of law faculties is needed, the stakeholders are not in agreement as to when and how to go about it. Dean Jay Conison and Dean Veryl Miles shared their experience with the participants and noted that program accreditation standards and procedures do not have to be elaborate. For the beginning, it would be sufficient to agree on the basic principles and parameters and then work continuously to improve the system.

Based on the interest from the participants, significant time was devoted to discussing the relationship between the Bar Exam and program accreditation standards, as well as competencies based curriculum design. Due to the

future merger of the Ministry of Justice and the Prosecutor General's Office, the new membership in the Parliament Legal Affairs Committee, and the recent resignation of the Dean of Tbilisi State University Law Faculty, many important questions remained unanswered, including who will be leading the process of developing program accreditation standards for the law faculties and when is it expected to begin this process.

The goal of the conference was to bring together all of the professionals above in order to discuss essential issues for the rule of law, Georgia's achievements and further steps. The conference proved to be very successful and was widely covered by the Georgian press."

HEALTH AND SOCIAL DEVELOPMENT (HSD)

TBILISI STATE UNIVERSITY (TSU) HICD – In progress

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 the TSU leadership and 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 through the meetings and interviews;
- 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.

Following delays brought on by the August conflict, the second phase of the assessment took place from October 19 to 29, 2008. During this phase the main focus was made on the process analyses of the areas identified during the first phase of the assessment, such as: governance and management; financial strictures, flow and decision-making; recruitment, evaluation and staff motivation; impact and issues of GoG higher education legislation/policy as it affects TSU operations, implementation of strategy, and improvement process. At the final stage of the assessment the presentation was held for the stakeholders group acquainting them with the findings and potential intervention recommendations.

After receiving the final assessment report from KNO, FORECAST held follow-up meetings with the TSU leadership for their comments on the findings. The intervention package was developed and approved on February 25, 2009.

For more information, please see **Success Stories** and **Challenges and Constraints** below.

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).

With considerable delay between the visits due to the August conflict, the performance assessment was carried out in two phases (July and October) 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.

The project's first phase was mainly dedicated to the systematic process of gathering and analyzing information. 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.

Throughout the assessment, PDI, together with the local partners, conducted the following activities:

- Review of relevant documents (legal, financial, internal procedures) regulating work of the organization;
- Survey of internal and external stakeholders that are active within the education system (one-on-one interviews, focus group discussions);
- One-on-one meetings with experts from each department, leading to understanding and mapping of major processes of the NEAC;
- In depth analyses of key organizational processes (using the NEAC authentication process as a model).

Upon completion of the assessment PDI made a presentation for the stakeholders group about the final findings and recommendations for future interventions. The intervention package was developed and approved on January 21, 2009.

In February 2009 PDI experts conducted the first and the second out of the five recommended interventions that aimed at 1) establishing effective and result-oriented process management systems that improve the efficiencies of the NEAC's organizational performance; and 2) providing the NEAC with the necessary tools to establish management systems that allow the institution to regularly plan, evaluate and take corrective actions.

As a result of the two-week intensive intervention, the following management improvements have been achieved:

- Streamlined work processes supported by standardized tools, resulting in increased capacity to cope with the NEAC's ever growing work load, and more effective implementation of accreditation processes in Georgia;
- Standardized and tool supported planning mechanism, resulting in better use of NEAC's capacity; better overview over work-load providing data to shift personnel to high work load areas; broader capabilities of NEAC's staff because of standardization (they know part of the work of other departments as it is designed the same way);
- More effective and efficient management system introduced and promoted at the NEAC, resulting in more time for management to work on non-operational tasks (core of management work); better overview of actual achievements and problems that need management attention; more responsive agency to the demands of its upstream and downstream stakeholders/clients;

- Delegation of decision-making and approval authority to lower job levels; mid-level managers empowered; waiting loops in the processes caused by waiting Director's approval lessened; speeding up through putting time, saving cost, and freeing up management time;
- Organizational knowledge capacities of the NEAC developed, making the organization less dependent on specific individuals' know-how and NEAC's performance sustainable in case of staff turnover.

In addition to the above listed interventions PDI experts supported NEAC to apply for European Association for Quality Assurance in Higher Education (ENQA) membership and assisted them in preparing application forms and necessary documentations for the submission.

The subsequent recommended interventions for developing NEAC HR management and organizational strategic action plan will be implemented in April-May by the FORECAST local partners: Partners Georgia and CTC.

For more information, please see **Success Stories** below.

NATIONAL ASSESSMENT AND EXAMINATION CENTER (NAEC) HICD

The goal of the NAEC program is to improve the overall performance of the NAEC in meeting its short- and medium-term goals of further developing and rolling out the general graduate examination, and building their organizational capacities through the introduction of management tools and techniques that would allow the institution to better cope with its expanding organizational mandate and workload, including the development of clear job descriptions, a performance system, and professional development mechanisms for staff.

The performance assessment of NAEC (carried out in two phases) was conducted by the performance assessment team from the performance improvement consultancy firm, Performance Design International (PDI), and the Category I FORECAST IQC local Partner, Center for Training and Consultancy (CTC).

During the first phase of the assessment that had been postponed due to the conflict (and did not therefore begin until October 27) the performance assessment team conducted the following activities: mapping exercises and key process analyses of the organization as well as meeting/interviews with stakeholders and key players. For the second phase of the performance assessment (November 24-28) in-depth analyses of key organizational processes were carried out.

On December 24, 2008 PDI submitted to FORECAST the final report on the basis of which further interventions have been identified. From that focus was made on improvement of the processes that will support the organization in its successful transition from the start up to a mature organization. From several interventions noted the following two categories were prioritized:

- Assist NAEC to set-up professional management and planning systems as a core means to make performance sustainable;
- Assist NAEC to set-up HR management and professional development systems.

In March 2009, the team of four international experts of PDI conducted the first intervention that covered the two core areas:

- 1) Establishing an organizational structure and systems that brings about a sustainable management of NAEC's high performance and ensures that the performance is more "system driven" in future;
- 2) Ensuring the continuing high motivation and full engagement of the staff.

This first part of TA aimed to set up organizational structure, professional management and planning system that will allow NAEC to proactively plan, and to set policy and strategy over the long term for the growth of the organization. Hence, the inputs delivered to the organization during the intervention period were the following:

- Creating the foundation, through process mapping and modularizing, for identifying the core processes in NAEC's work;
- Developing the Management System, including Planning Master Tool, Planning and Monitoring Tool, and a weekly management meeting format;
- Enhancing the sustainability of the systems with a Guide to Planning and Monitoring Toolkit and the assignment and training of a Planning Officer – a new position that has been appointed within the organization based on the experts' recommendation to supervise the implementation of the management system and to ensure that the newly established mechanism in NAEC is operational.

The second part of TA enclosed the establishment of a systematic and simple approach to develop new products and to market them. NAEC has already begun, on an unplanned basis, to utilize its expertise in new areas. This includes creating exams and staff selection tests for different type of institutions and governmental organizations. During the intervention the organization has received a practical guide that can be used by NAEC while developing new products and setting up marketing systems to support selling of the respective products. The relevant staff of the organization participated in the workshop during which they received the practical advices on elements of a robust system for product marketing. Marketing new products outside the education system will provide NAEC with the opportunity to enhance its expertise in product development, and ultimately contributing to reduced dependence on foreign aid. By proactively seeking further opportunities, and systematically creating new business lines, the employees of NAEC will be provided with opportunities for continual challenge and ongoing growth.

In short, during the two week intervention period the modularization of organizations' processes enabled NAEC to become more adaptable to create products for both identified and possible markets.

The second intervention, HR Management and Professional Development Systems, has been postponed to September at the request of NAEC.

KIPSHIDZE CENTRAL UNIVERSITY HOSPITAL – TA

The overall goal of the KCUH partial HICD program is to create a standardized hospital employee recruitment and performance appraisal system for professional and technical staff.

The two-phase TA activity represents the second component of the partial-HICD program. The first component (an institutional assessment of KCUH) was conducted by Mr. Brue Chandler, an experienced hospital and healthcare management administrator, in May 2008. The results of the institutional assessment formed the basis for the implementation of the second component.

The first of the two-phase TA, conducted by a team of experts from La Crosse, Inc., took place March 14-20, 2009. The consultants held a number of introductory meetings with the leadership of the hospital. During these meetings the decision was made that the team of consultants would be extensively working with the surgery department which would serve as a model for the hospital.

The first phase was concluded by a workshop for the heads of the departments during which the consultants acquainted the participants with the preliminary findings. In order to identify the areas of

priority for the second phase, the participants were asked to fill in questionnaires. The results of this survey will be analyzed by the consultants, and findings will be presented to the KCUH staff during the second phase. At the same time, the medical staff bylaws, drafted by the consultants in collaboration with the KCUH leadership, were reviewed.

After completion of the workshop, the consultants met with the Head of the Health Care and Social Issues Committee of the Parliament of Georgia. The meeting was initiated by Dr. Nikolas Kipshidze, the General Director of KCUH. The meeting aimed to promote the on-going TA activity, and to open discussions with the GoG on the possibility to use the results of this project as a model for other healthcare institutions in the country.

The second phase will be conducted on April 4-15, 2009 by a joint team of US and UK healthcare management consultants from La Crosse, Inc.

CAUCASUS UNIVERSITY HEALTHCARE MANAGEMENT

The goal of the CU partial HICD program was to support the Caucasus University (CU) to anticipate and meet the institutional, human, and financial demands required for the targeted and sustainable development of their public health concentrations.

The first component of the program was conducted by Institute for Polling and Marketing (IPM), a local research company on December 8, 2008 – January 22, 2009. The results of the market survey formed the basis for the implementation of the second component.

The second component of the program, conducted by Michael A. Counte and James C. Romeis, Co-Principals of Global Health Management Group, took place on March 6-14, 2009. During this phase of CU assessment the following issues were addressed:

- Conducting external and internal environmental analyses that examine major health system trends that are locally and regionally underway and projected, as well as the current structure and functioning of the CSB;
- Developing recommendations regarding the human capacities, institutional structures/reforms/adjustments and financial resources that are needed for the CSB to meet the increased demand on health care and insurance managers;
- Identification of the financial participation capacities of public and private stakeholders who can provide support for the new initiatives;
- Facilitating development of a business plan in accordance with the findings and recommendations identified in the market survey that will enable the CSB to plan the future health and insurance management MBA program;
- Constructing a monitoring process including regional and international benchmarks to assist the CSB in its efforts to offer MBA healthcare program that will be widely recognized for its quality;
- Designing a revenue sharing formula among the collaborating schools of CU.

On March 28, 2009 Mr. Counte and Mr. Ramies submitted to FORECAST and CU the final report that included the following recommendations:

1. Create a better understanding of the mission of the HCM program and improve its competitive position in the local market;
2. Advance the financial position of the CSB and the HCM program in particular through effective management and revenue generation;

3. Strengthen the internal organizational capabilities of the HCM program through improved administrative coordination, faculty development activities and cooperative relationships with external health care management education associations and organizations;
4. Develop performance-based, program level comparison criteria and benchmark against institutions to evaluate progress over time;
5. Increase interaction with representatives of major stakeholders, create need-based educational and training programs and move towards a competency-based approach to academic programs and related training courses;
6. Increase the size of HCM cohorts when supported by market demand and feasible given organizational constraints.

These recommendations will be included into the CU management action plan in the nearest future.

UNIVERSITY OF GEORGIA HEALTHCARE MANAGEMENT

The overall goal of the UoG partial HICD program was to support the University of Georgia (UoG) to anticipate and meet the institutional, human, and financial demands required for the targeted and sustainable development of their public health concentrations.

The first component of the program was conducted by Institute for Polling and Marketing (IPM), a local research company on December 8, 2008 – January 22, 2009. The results of the market survey formed the basis for implementation of the second component.

The second component of the program took place on March 3-18, 2009. The TA was conducted by Steven Kelly and Dr. J.B. Silvers from Kelly Novak Opportunities (KNO). During the technical assessment of UoG the following recommendations were made:

- Financial Allocation for Shared Programs – given the nature of the shared faculty and courses among the Schools of Business and Public Health, it is recommended to choose one of the demonstrated options for allocating money among schools;
- Faculty Staff - with the projected growth of the Master programs in the Public Health School, as well as with the increasing focus on research, there is a need to increase fulltime PhD academic staff. It is also recommended to recruit one fulltime Head for each of the four Master programs. Additional office space and equipment is required to support this expansion;
- Marketing activities - it is recommended to hire three coordinator/marketing staff:
 - Marketing Coordinator - prepare the annual market plan with Dean, track key customers through CRM system, prepare communications and announcements, and coordinate activities;
 - Certificate/Short Course Coordinator – schedule and implement courses, assist with marketing, liaison with lecturers, prepare materials, communicate with participants;
 - Marketing Assistant - maintain the database, prepare and distribute promotional emails, support Coordinator.
- Financial Management – the Dean of the Public Health School should use the UCAF Calculator for forecasting enrollments, revenues and budget impacts while planning;
- Research/Professional Development Budget – there is a need to allocate money for research projects. Also funds must be budgeted for professional development of lecturers in both teaching and research skills;
- Teaching Quality Monitoring – the university needs to move forward to establish a strong curriculum monitoring program to insure progress in teaching/course quality. Mechanisms should be set up to collect feedback from students on course effectiveness and overall satisfaction with the UoG environment;

- Examinations - for Master courses examinations should be conducted in small classroom settings rather than as mass events. Professors should take care to control for any cheating with strict penalties;
- Room Assignments - classrooms should be assigned as near to the school offices as possible. This will allow easy access by lecturers and students to the office, as well as reduce time walking from building to building;
- Course Handouts - currently lecturers email quizzes to the MA degree administrator, who makes copies of these quizzes for them. Later, lecturers need to come by the office in order to collect the copies. While the early submittal of the quiz to the MA manager helps provide control of the lecturer, it seems overboard when the quizzes are quite short, class size is limited, and the quiz can easily be printed on the office printer. A copy can still be emailed to the MA manager for control purposes. Quiz results can easily be sent by formatted email. This again can save several walking trips within the building and is more efficient.

Based on the recommendations received from the KNO consultants the UoG management action plan has been updated.

PROGRAM AND PROJECT SUPPORT (PPS)

MINISTRY OF REFUGEES AND ACCOMMODATION (MRA) —In Progress

The goal of the program is to contribute to building the capacity of the Ministry for Refugees and Accommodation (MRA) in developing and operationalizing the GoG *Action Plan for the Implementation of the State Strategy for IDPs-Persecuted*.

The first phase of the technical assessment of the MRA, conducted by Mr. Guy Hovey and Ms. Erin D. Mooney with the assistance of a local project officer contracted by FORECAST, took place on February-March, 2009.

This assessment phase concentrated on identifying the capacities of the MRA and drafting recommendations to strengthen them. Organizational structure, culture, working practices, internal and external relations and personnel were analyzed in the context of assessing the core pre-consultancy identified problem areas of information, communication, coordination and implementation. To arrive at an understanding of the above, comprehensive consultations were held with Minister Koba Subeliani and senior and key MRA staff as well as with other stakeholders: international and national NGOs, international organizations including UN agencies, municipal and village-level authorities, IDPs and other displacement affected groups. In addition, consultants attended MRA led meetings with the IC and civil society. FORECAST also met with USAID to discuss first impressions and recommendations.

During the consultants' absence in early March the program officer continued liaison with the MRA from the 19th March, attended meetings including the first Steering Committee meeting and worked with MRA staff to map existing internal GoG coordination mechanisms on IDP issues.

Once the strengths and weaknesses of the MRA had been recognized, and MRA/IC relationships understood, discussions were held to identify specific problem areas. Solutions in terms of organizational structure, human capacity building and material needs were drafted as was a strategy designed to bring the IC and the MRA together in a closer working relationship based on mutual respect and understanding. During this period the Steering Committee idea was also conceptualized and drafted. Drafts were circulated within the donor community who provided inputs and advice. Feedback from the IC was extremely positive. Following consultations with the IC, primary recommendations were presented to the Minister and his senior staff where these and other issues were comprehensively discussed.

The second part of the TA intervention will be conducted in April, 2009.

Workplan Development

Azerbaijan

Per the mission's request, on November 7, 2008 FORECAST/Azerbaijan again formally requested and received approval of programs within the context of the FORECAST/Azerbaijan FY 2008 and FY 2009 workplan. A number of programs included in these workplans had already been approved (or approved and implemented) on an *ad hoc* basis over the course of the past year. Those programs were either included in the originally-proposed workplan but never approved as such, or added at the request of USAID throughout the year.

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

Georgia

As with the previous year, the FY 2009 FORECAST/Georgia workplan was divided into the following categories:

1. **Category I** target institutions and programs that are recommended for approval for implementation in FY 2009:
 - a. *HICD programs* - institutional assessments and performance improvement interventions;
 - b. *Partial HICD programs* - performance improvement interventions;
 - c. *Exceptional requests* – programs already approved by the mission on an exceptional basis – largely one-off training or non-HICD programming;
2. **Category II** target institutions and programs that may be recommended for implementation later in FY 09, but further information is needed for program development and/or final status determination.

FORECAST held intensive consultations with all Mission technical offices as a result of which the following programs were submitted for consideration by the mission on December 22, 2008.

CATEGORY I - Programs recommended for approval for implementation in FY 09:

1. Municipal Service Providers Association (MSPA) and Municipal Finance Officers Association (MFOA) — *Full HICD*
2. National Center for Disease Control — *Full HICD*
3. Health Insurance Mediation Service — *Partial HICD*
4. Association of TB Specialists and Pulmonologists — *Partial HICD*
5. Tbilisi State University — *Additional funding for HICD intervention package*
6. International School of Economics (ISET) — *Exceptional Request (approved)*
7. Ministry for Refugees and Accommodation (MRA) — *Exceptional Request (approved)*
8. NBG Conference — *Exceptional Request (approved)*
9. National Forensics Bureau (NFB) Real Estate Certification Program — *Exceptional Request (approved)*
10. Atlanta-Tbilisi Sister City Committee Appellate Review Training — *Exceptional Request (pending)*
11. Tbilisi Urban Planning Office, Training of Trainers — *Exceptional Request (completed)*
12. World Governmental Summit: Oil and Gas Fiscal Strategies for Governments — *Exceptional Request (approved)*

CATEGORY II - Programs that may be recommended for implementation in FY 09 pending further information:

1. Ministry of Environmental Protection and Natural Resources (MoE), Department of Forestry, Agency for Protected Areas, and Conservation Training Center — *Full HICD*
2. Sacred Architecture and Landscape Center of Georgian Orthodox Church Patriarchate — *Partial HICD*
3. Georgian Evaluation Association (GEA) — *Partial HICD*
4. Association for Protection of Landowners' Rights, Real Estate Auctioneering — *Partial HICD*
5. Association for Protection of Landowners' Rights ISO Certification — *Partial HICD*

Ongoing Programs from 2008:

1. Tbilisi State University (TSU) HICD Program;
2. National Education Accreditation Center (NEAC) HICD Program;
3. National Assessment and Examination Center (NAEC) HICD Program;
4. Georgian Accreditation Center;
5. Kipshidze Central University Hospital (TA);
6. University of Georgia Healthcare Management;
7. Caucasus University Healthcare Management.

At the end of January FORECAST was informed that from the programs submitted for the Mission's consideration only the Municipal Service Providers Association (MSPA) and Municipal Finance Officers Association (MFOA) program (full HICD) was approved. FORECAST continues consultations with the technical offices for developing a new FY 2009 FORECAST/Georgia workplan.

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 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 already formulated and drafted.

- GCCI (partial HICD) - Draft PMP developed (***Attachment III A***);
- NBG HR Department (partial HICD)- Draft PMP developed (***Attachment III B***);
- NAEC (HICD) - Draft PMP developed (***Attachment III C***);
- NEAC (HICD) - Draft PMP developed (***Attachment III D***);
- TSU (HICD) - Draft PMP developed (***Attachment III E***);
- CU - Draft PMP developed (***Attachment III F***);
- UoG - Draft PMP developed (***Attachment III G***).

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. LOCAL PARTNERSHIPS

Georgia

The activities undertaken by the local assessors of TSU, a consortium of three organizations (Partners Georgia, UNAG and ARC), during the reporting period include:

- review of “local” and operational approach to higher education developed;
- interviews with TSU staff as well as external stakeholders and key players in the education sector conducted;
- 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;
- three key processes/activities of TSU — academic services, students’ academic life and teaching excellence processes analyzed.

Some of those activities were conducted together with the Field of Activity Expert. Reports and other deliverables from the performance team members were sent to the international consultants as inputs for incorporation into the final report.

The activities undertaken by CTC at the NEAC 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).

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

The activities undertaken by CTC at the NAEC include:

- participation in the initial meeting with NAEC director;
- conducting interviews with NAEC staff as well as primary stakeholders;
- analyzing documentation (legal documents, reports, publications);
- observing daily work at NAEC’s office;
- analyzing collected data;
- drafting process maps (preparation, organization and delivery of national exams; preparation, delivery and reporting on international studies);
- reconfirming the process maps with NAEC staff;
- presentation on developing deliverable matrix;
- collecting the input for matrix from the key staff;

- contributing to the formulation of final recommendations;
- participation in the presentation of the findings to NAEC.

The activities undertaken by Smart at NBG during the TA include:

1. Training of HR staff in Job Analysis/Competency Design, Competency Based Selection, and Performance Appraisal;
2. Providing recommendations for improving HR Management System at NBG;
3. Providing recommendations on NBG job classification and a standardized remuneration system;
4. Providing recommendations for implementing Performance Appraisal System;
5. Developing HR Policy Manual.

The activities undertaken by Smart at NBG during the FoF activity include:

1. Conducting job analysis and developing Job Descriptions for 70 positions;
2. Developing NBG job classifier and recommended scheme for promoting, encouraging and training NBG employees.

Azerbaijan

As was reported earlier, per a request received from USAID, FORECAST/Azerbaijan informed potential local partners 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.

V. SUCCESS STORIES

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, Anna Mamatelashvili graduated *Magna cum Laude* with dual degrees in Math and Business Administration in June 2008. Papuna Lezhava made up credits that he did not complete during the previous four years and received his degree in Business Administration in August 2006. Alexander Metreveli, who fell sick, and did not complete the fall/winter 06/07 term, also made up time lost, and completed his studies in December 2008 with funding provided by his family. He will receive diploma in May, 2009.

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 at the Financial Supervision Agency (former Banking Supervision Department of the NBG) as an audit specialist in the Bank Documentation Department.

According to Ana Mamatelashvili:

Undergraduate fellowship granted by the USAID enabled me to pursue my undergraduate degree at AUBG.

During The first year at AUBG my English skills were considerably improved and I became familiar with western system of higher education. I took several general education courses and other required courses. As I

gradually assimilated to the new environment my GPA rose significantly (from 3.3 in the first semester to 4.0 in the third). From the sophomore year I began to complete major of business administration. Courses were interesting and professors very helpful and encouraging. I began to feel free at in-class discussions while in the past I always tried to avoid public speaking. In both semesters of the sophomore year I was included in the Dean's list. In junior and senior years I was included in the President's list as well.

*When I took courses in financial accounting and corporate finance I was sure that major of business administration was right choice for me. However, it became clear that required courses for the major were not enough and I took several math courses, which were essential for understanding finance. Math courses proved to be extremely helpful so eventually I decided to make math major as well and declared second major at the end of the junior year. On May 2008 I graduated **Magna cum Laude with two majors.***

In addition to studying at AUBG USAID program included summer internships in Georgia. I was able to work in different companies; for instance, in the first summer I was an intern in an insurance company Aldagi and summer 2007 I was accepted in PricewaterhouseCoopers. I was able to put to practice the knowledge acquired at AUBG. All three companies gave me good references. These internships helped me to gain considerable working experience and insight into Georgian business world as well as nice looking curriculum vitae.

From July 1, 2008 I was accepted in JSC Insurance Company Aldagi BCI on a position of an underwriter, which I currently hold. Considering that my only experience in insurance was that of summer internship in the same company three years before - I was having hard time in the beginning. However, broad knowledge acquired in AUBG in finance, accounting and business law, excellent English language skills, leadership skills and teamwork experience from AUBG were extremely helpful in fulfilling my tasks. Also years spent at AUBG left traces of western education and made it considerably easy to communicate with insurance industry representatives internationally - we speak the same business language.

According to Papuna Lezhava:

In 2004 I was admitted at the American University in Bulgaria (AUBG). However due to the high tuition fee I was about to give up with my dream to study at AUBG. Fortunately, thanks to the World Learning I was granted the USAID scholarship to pursue my study. After taking some general education courses during the first year of my study, I decided to earn my undergraduate degree in business administration. After years of hard work I finally graduated in August 2008.

At the final stage of my study I was doing an online independent study from Georgia in order to earn a diploma. I took opportunity and at the same time started looking for appropriate job were I could apply my education, and further develop my potential. Since I didn't yet have a diploma it was a bit hard for me to find a job in the beginning. But just about a month before graduation I started working at the Financial Supervisory Agency of Georgia (FSA) with a probation period of five months. They too hesitated employing me in the beginning, because of lack of work experience.

The agency is the authority in Georgia governing financial institutions. Luckily I was accepted as a specialist of banks' documentary supervision, the field that interested me more than any other. I always wanted to work in banking sector, but was thinking of working for commercial bank, rather than for state regulatory institution. However, now, when my country has gone through so many difficulties and when so many challenges are ahead, I feel my country can benefit from me working at FSA more than if I worked for a private company.

It didn't take me long to clear myself with the legal and administrative details I had to know in order to put my knowledge into practice. War with Russia during August put the heaviest tension on the financial system of the country. This directly affected our work load. Even though a newcomer I was equally responsible for my deeds, but knowledge gained during my four years study in Bulgaria gave me advantage, which helped me to do my job

as good as others were doing it. There were days that I had to stay in the office from 9 in the morning till midnight, and work under pressure for all this time. This regime continued for about three weeks. It gave me experience people rarely get. But what made me feel better, was that financial system of Georgia survived the war and there was my minor contribution in it. I was proud when our hard work was recognized by the head of the agency, and when our department was rewarded for it.

Time passed and little by little I started realizing that the education I gained in the American University was exactly the one I needed and wanted to have in order to work in the field I am really interested in. But the longer I work, the better I understand that there is so much more I have to learn and I'm happy I still have time for it. As soon as I feel that I gained enough experience I'll start thinking about working my master's degree out. Probation period didn't last for five months. In few weeks I was recruited as a specialist. By the end of September, some two months past I first started working, I was promoted to be a leading specialist. This was a perfect incentive for me to start working even harder. I am aiming at becoming a senior specialist soon, which is the highest rank I can have at the agency before the head of the department.

I think the Financial Supervisory Agency is the best place I could find in Georgia to work. This is the place where I can in the best way apply my knowledge, where I can learn much more (mainly from the people I work with), and where I can get the most interesting experience. I'm happy with where I am right now, but I am striving for more.

I can not conclude without underlining USAID's contribution that lead my path of life. I am happy that I can proudly say – I am approving expectations of people who thought I could do some good. I hope and believe that what I have done so far is only a drop in the ocean, and that there will be much more to achieve. Sooner or later I will prove that by funding my study USAID helped not only me, but also my country.

ACADEMIC MEDIA STUDY TOUR

In June, 2008 the deans from a number of Georgian Universities/Institutes participated in the Academic Media Study Tour program organized by FORECAST at the request of USAID.

Within the framework of this 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.

The following are short reports sent to FORECAST by the participants:

According to Maia Mikashavidze, Dean of Caucasus School of Journalism and Media Management, Georgian Institute of Public Affairs:

The biggest innovation at the Caucasus School of Journalism and Media Management (CSJMM) was streamlining school curricula and student media operation to fit the age of new media.

All universities that participants visited stressed that new technologies affect the way media develops in the 21st century, and presents new challenges to media educators. US educators noted that simple approaches like an introduction of an online course here or teaching web reporting there, would not be enough. What is needed is the complete overhaul of the instructional process and curricula, starting from communication with students (web-based communication) to curricula (all courses have elements stemming from the development of new media) and to student media operations.

To respond to the challenge, CSJMM organized a faculty retreat in September and developed suggestions for changes in curricula, administrative practices and student media operations.

Curricula

CSJMM decided to change most of the core courses to incorporate elements of new media. The first such change was made to the core course in Reporting and Writing, a founding class in journalism skills, which became a web-based instruction. In this class, students learn reporting, research, interviewing, fact verification, basic writing skills plus online publishing. Stories generated in the class are posted on individual and group weblogs. For example, stories by students in the 1st year (Georgian-language master's in journalism program) are posted at <http://blog.gipa.ge>. For stories by the students in the English-language program, go to students' blogs: <http://iagavasbeli.wordpress.com/>, <http://tami20.wordpress.com/>, <http://pxacho.wordpress.com/>, <http://marinnka.wordpress.com/>, <http://ketevan22.wordpress.com/>, <http://radiobedniereba.wordpress.com/>, <http://ketiebanoidze.wordpress.com/>, <http://kasrika.wordpress.com/>, <http://sakos.wordpress.com/>, <http://pisoo.wordpress.com/>, <http://natalie5n.wordpress.com/>

The students are encouraged to submit not only print stories but also photos, slide shows, graphs and other visual materials, stressing the importance of multimedia storytelling.

Reporting and Writing runs as a "boot camp". This is another innovation inspired by the World Learning tour. "Boot camp" is an intensive, training-type class, which is held in the beginning of studies to facilitate speedy accumulation of skills. CSJMM "boot camp" – which is loosely based on the "boot camp" run by the University of Maryland – runs four weeks, from 10am to 6pm daily. It includes half-day lecturing and discussions with the rest of the day for assignment reporting, writing, formatting stories and publishing on the web.

In this new academic year, CSJMM has held three "boot camps". Some 35 Georgian students took the class with Ana Kesbelashvili, CSJMM's associate professor and webmedia professional.

The third "boot camp", in Reporting and Writing II, is running now with experienced American reporter, Margie Freaney. The class is attended by 20 Georgian, Azerbaijani and Armenian students in English-language, international master's degree program. Instructor now has a blog page, and posts regular communications with students on this page. In addition, certain other instructional material is posted on the blog on separate pages. Students are notified by e-mail when a new blog is posted.

Another web-age innovation is an online class which will run side-by-side with traditional, classroom-based instruction. The first such class will be held in February. This "International Reporting" class will be taught by Washington-based CSJMM's graduate, Eka Gurgenedze.

Student Media

CSJMM has changed approach to its students media operations. The school commissioned a website for its Radio GIPA, which will be an umbrella multimedia site for all student-generated radio, print, photo and TV

reports. The site will be operational starting March 2009. This fits the overall trend to encourage multimedia journalism.

New program in Public Relations

Some ideas from the Virginia Commonwealth University's public relations program were used for the new master's in public relations program to start in March 2009. In the program, the students will learn to formulate and implement communication strategies through various types of media. The experience, whereby the Virginia Commonwealth maintains close ties with the PR and advertising industry and has a good measure of the job market, has inspired CSJMM to hold series of announcements of the new program among industry professionals.

According to Natia Kaladze, Dean of the School of Journalism and Mass Communications, University of Georgia:

Participation in Media Study Tour helped me a lot in different ways in the process of journalism school development. By participating in the program I have established new professional contacts and networks with American journalism schools, which is probably the best in the world. Also I understand the new media demands in the modern society.

Back home I made some major changes in the curriculum of the undergraduate program of Journalism. Based on American universities/institutions experience and knowledge I developed new undergraduate program in Public Relations. From September, 2009 the program starts.

From September 2008, I started to conduct trainings for faculty members and established academic excellence center in teaching. Now, the school trains lecturers twice per year in the beginning of spring and fall semesters. Also I established academic excellence for students, where they can come and get consultations from their lecturers out of the class hours on different courses. I elaborated the lecturers evaluation form, that helps us to see better grey and/or white areas of teaching or relations between students and lecturers. I made some changes in the teaching methodology and class management. We work on faculty development issues and encourage them to do more research. And help them to divide their work time on teaching 40%, research 40% and 20% on community service. We start to translate English language textbooks into Georgian.

I developed new media courses, which help students to succeed in the converging media environment. The school encouraged students to establish Journalism Club, where they would be able to involve journalism students from different universities (especially students from those universities, which have lack of modern technical equipment for studying) and the club chaired and administered by students. I understood that students need to receive good knowledge in subjects beyond the journalism and I added more courses as electives. Now the program is more flexible and students can choose in what area they are interested more.

Shortly before the visit of the United States universities, we opened UG TV Studio, the campus TV. During the trip I studied a lot how it should work and how assign students to work for TV and what kind of technical equipment we need. Back home, I changed a lot in the management of studio. Now, we have reporting room with necessary computers and programs, we bought new cameras and other necessary equipments for effective working. And now, students have a chance to work more actively and effectively. I learnt that it is very important in the modern world to teach multimedia reporting, so we strongly work in this direction. And from this month we launched Website www.msug.ge, where students can post their stories (video, audio and photo). So we decide to post our students newspaper "Observer" on this site. We are planning to establish internet radio until the end of this year. We passed first stage: we elaborate working plan and list of equipment, now we are looking for some sources of funds on base of co-financing either in private or in public sector.

I learnt how to manage Public Relations program. I changed some teaching method of course. We added more practical assignments for students. We establish PR and Ads center, where graduates students can work with

real clients on branding, promotion and etc. Now, the center has its own working office, where students can spend their time. Also, we establish PR support group and every students of university can participate.

I changed curriculum of the graduate programs in Media Management and Public Affairs Journalism. In case of Media Management, the school of Journalism and Mass Communications collaborates with the School of Business and Economics. Students have some joined courses and finally will get MBA degree in Media Management. Public Affairs Journalism program joined the Governance program and part of courses they have together.

From the trip I learnt that it is not good to rely only on the student media and students need more open perspectives. In order to achieve it, the school signed memorandums of understanding with various media organizations, according of which the students will have internships, workshops and trainings in those organizations. I involved more media organization into the teaching process and brought more active journalists to the school. And more field trip to students.

Currently, I am working on international collaboration with Journalism Schools abroad and how to get through international accreditation.

According to Lia Chakunashvili, Dean of the Caucasus School of Media, Caucasus University:

Curricula

I was impressed to see how closely different departments/schools at US universities cooperate and how they benefit from each other's resources.

I was surprised to learn that every student in undergraduate program, in any of the universities we visited, who majors in journalism, has to minor or even major (double majors at NYU School of Journalism) in other area of their interest. I am now revising curricula to allow students of Caucasus School of Media to earn 60 ECTS credits out of 240 ECTS credits required for graduation at the other schools of Caucasus University. In the beginning, students of Caucasus School of Media will be able to minor in European Studies, offered by Caucasus School of Humanities, and in International Relations, offered by Caucasus School of Governance. I am also designing one 60 ECTS credit module in journalism and another 60 ECTS credit module in Public Relations, to allow students of other schools of Caucasus University to minor at Caucasus School of Media in these areas. We will launch a pilot program from September 2009.

I have shared information about Advertising sequence at the Virginia Commonwealth University with the Dean of Caucasus School of Business, who is Professor of Marketing. We agreed that in our case the best approach would be to join resources of Business and Media Schools and offer an interdisciplinary graduate program in Advertising. We have not designed curricula yet, but the program is on the list of our priorities.

I have developed requirements for Masters Thesis and Masters Project using similar requirements by Howard University as an example.

Internships

At all the universities we visited, internships were regarded an important part of academic process. I was surprised to learn that students are allowed to take internship in parallel to taking classes. I have developed Internship Requirements and related documentation based on the materials and practices by Virginia Commonwealth University. I have sent packages of documents to the several potential internship hosts as well as to the students for the review. When obligations of all parties involved in the internship – student intern, internship host and academic institution – are clearly defined and agreed in advance, there will be little room for misunderstandings. As a result, internship will become truly valuable experience for the students and similarly beneficial exercise for internship hosts. We will use April and May for selection process and internships will take

place in June and July. However, students are encouraged to start internship earlier and continue it longer provided it will not conflict with their class schedules.

Changes in syllabuses

From September 2009, we will be using an alternative textbook by Tim Harrower, Inside Reporting, first edition, as the lead textbook in the core News Writing and Reporting class. This textbook, suggested to us by Maryland University, better explains challenges posed by convergence of newsrooms, than any of the conventional textbooks. We have tested Inside Reporting this year, using it in combination with other textbooks. Both the teacher and students liked the Tim Harrower's approach very much.

Our teacher of sociology prepared a course in Research Methods for graduate students based on the textbooks recommended to us in Howard University: Handbook on Media and Communications Research, edited by Klaus Bruhn Jensen and Mass Communication Research Methods, by Anders Hansen. Class will be taught in June and July 2009.

Our teacher of broadcast summer certificate class based her syllabus on the textbook suggested to us by Columbia University, Edward Bliss's Writing News for Broadcast.

Equipment

We will be buying portable radio and studio equipment and some of the portable video equipment this summer. While selecting equipment and software, we will follow advice we received at NYU, Howard University and Maryland University. I may need to contact them with specific questions. We planned to buy equipment for January 2009, but war in August slowed down our development too – we could not move to new building by January 2009 as we planned. We hope that we will be able to move to the new building where we have room for studios by September 2009.

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 to send a group of representatives from the nascent Municipal Service Providers Association (MSPA) and the Finance Officers Association (MFOA) to attend the **102nd Annual Government Finance Officers Association (GFOA) Conference** in Ft. Lauderdale in June 2008, 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.

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.

Upon arrival back in Tbilisi, the MSPA participants organized meeting with other MSPA board members and made a presentation on how the association can participate in ongoing reforms and promote professional development of municipal service managers at the state and local government levels. In addition, in July, the MSPA and MFOA Executive Boards conducted their second meetings on the core sustainability issues. The Boards also mandated their respective Executive Directors to work on implementation of the Associations' first annual workplans. This was followed by the provision of office spaces for Municipal Service Providers' Association in Tbilisi and Batumi as well as allocation of membership funds in local budget that made possible for associations to operate.

Additionally, in October-November, the MSPA and MFOA implemented two contracts together with the Urban Institute: (1) to conduct the "Preliminary Assessment of Assistance Needed by Municipal Governments as a Result of the Conflict" in 13 municipalities affected by the August conflict, and (2)

to assist Senaki, Mtskheta and Gori municipalities (among others) to commence their municipal service planning processes for FY2009.

The MFOA has recently been invited by the GFOA to attend the 103rd Annual GFOA Conference on *Financial Strategies for Challenging Times*. The conference offers public finance professionals the chance to develop their understanding of the latest and the most significant public finance issues, as well as to enhance their professional skills. The conference is scheduled for June 27-July 1, 2009.

NATIONAL EDUCATION ACCREDITATION CENTER (NEAC) HICD

As a direct result of the performance assessment, the NEAC implemented the following performance improvement activities (without further external assistance, and prior to the intervention phase having been approved or implementation begun):

1. Re-design of the *Authentication Process* - though due to legal issues that still need clarification, not all the suggestions are implemented so far. *Results: Cost for more than 5,000 transactions down by 15%, through-put time for transaction down 30%, direct processing time down 5%. More than an hour of management time per week has been set free for more important activities.*
2. NEAC adopted the policy to bring work processes down to the lowest possible institutional level to free up management time. This has been implemented in the mobility process, the voucher administration process and the student and academic personnel registration process. *Results: Simpler work is done by coordinators, more difficult or rare cases by managers. This way coordinators can work more independently, and managers are less bottlenecks; makes work easier to do for people and speeds up work flow.*
3. Appointment of a liaison to the *European Network of Information Centers* and the *National Academic Recognition Centers* to systematically obtain and exchange know-how. *Results: Faster transfer of international know-how into the NEAC which enables self-driven continuous improvement towards international standards.*
4. Appointment of a fundraising office within the NEAC. *Results: NEAC systematically considers funding opportunities to improve its operations and professionalize its staff.*

The following improvements (outlined in the assessment report) were immediately recognized by NEAC. NEAC has begun taking certain steps in these directions; however, identified areas for the improvement will be further addressed in the framework of the TA intervention support as well.

1. Development of forms, templates and standard text modules that speed up work. *Results: Faster work, higher quality and less re-work due to fewer mistakes; increased employee satisfaction and motivation because work is standardized and relatively straightforward.*
2. Transfer of “process thinking” to other areas in the organizations. NEAC started to document the Mobility and the Voucher Administration processes. This means NEAC sees the benefits of taking a more structured approach towards work flow including the advantages of standardization, etc. *Results: Faster work, higher quality and less re-work due to fewer mistakes; higher levels of efficiency and employee satisfaction.*

TBILISI STATE UNIVERSITY (TSU) HICD

As an immediate result of the assessment, TSU has conducted the following activities:

1. Strategic Planning and Monitoring officer appointed to lead the (ongoing) strategic planning process, oversee the implementation of the specific objectives through the development of action plans, monitoring the performance results, and working closely with stakeholders. *Results: Promotion of strategic vision and day-to-day activities throughout the institution, and advance the overall process of strategy plan implementation; detailed action plans are monitored and evaluated, progress is regularly assessed; key stakeholders actively involved informed.*
2. Planning for fundraising and alumni office begun (as an integrated structural unit at TSU). Required human and finance resources will also be allocated and included in the budget. *Results: valuable funding source will be created; public activities initiated by the Alumni office contribute to the image of TSU; good basis for creating Development Foundation at TSU for building research capacities.*

NATIONAL BANK OF GEORGIA/HR DEPARTMENT

As a direct result of the technical assistance at the National Bank of Georgia (NBG), the NBG HR Policy Manual has been developed (in English and Georgian versions). The manual includes detailed and comprehensive HR policies, procedures, and forms that are designed in accordance with the requirements established by legislation, as well as practical day-to-day management and operations.

The following issues are covered by the manual (please forgive the technical jargon):

- Job analysis;
- Personnel and work repertory grid (management “differentiation” tool) ;
- Critical incident technique (tool for measuring variables that effect job performance outcomes);
- Visionary interview (tools for senior managers that explore the links between organizational objectives, values and culture, and the behavior of managers within the organization);
- Meaning, structure, drawing-up, coordination and approval of job descriptions;
- Structure of job description;
- Recruitment, hiring, dismissal, career development;
- Attracting and recruiting personnel;
- Employment announcements;
- Employment competitions;
- Hiring and dismissal;
- Career development;
- Organizational culture and employee adaptation;
- Performance appraisal;
- Management by objectives (MBO);
- 360° appraisal;
- Self assessment;
- Job evaluation;
- Job classification;
- Role inventory;
- Job categories;
- Job category definitions;
- Salary structure.

In addition, a draft of the organizational HR matrix was designed during the TA. This matrix is based on job evaluation process, which includes grouping different jobs into job families, and classifying them according to the level of responsibility and functionality.

GEORGIAN ACCREDITATION CENTER

Since commencing cooperation with FORECAST, the GAC has conducted the following activities without external assistance:

- Accredited a pharmaceutical company in lab standards (ISO 17025) in preparation for eventual recognition once GAC is itself recognized internationally (the goal FORECAST is currently contributing to);
- Commenced development of an accreditation body *Quality Manual* for use by applicants for conformity assessments;
- Adopted international standards for process and facility assessments; and
- Began the intensive application process for EA recognition (an objective that will be addressed through the upcoming FORECAST TA).

Azerbaijan

The Economic Research Center (ERC) has significantly improved its financial accounting and reporting practices in accordance to international standards that would allow this local NGO to receive direct and large scale funding from international donor organizations and manage these finances professionally in the future. This was possible due to the trainings and follow-up consultancies held in the frame of **Local NGO Accounting Capacity Building TA** provided by Counterpart International Baku office which is implementing USAID Civil Society Project. ERC leadership and financial management staff has succeeded in owning and applying the knowledge received from the program. This organization had already worked on improving its accounting and financial management prior to the program and therefore had strong base to advance. The organization obtained and successfully started applying the principles of international accounting standards and models to develop its financial management and reporting system. Now financial management staff of the ERC is able to benefit from accounting software program (QuickBooks) installed during the consultancy program. The staff is able to make comprehensive and accurate reports on project expenditures, income statements, balance sheets, cash flow statements. This is especially helpful when they have to manage finances in several projects implemented by the organization simultaneously. The software program allows sorting and filtering the financial data based on different criteria such as dates, accounts, projects etc. As a result of these improvements, ERC is capable to deliver accurate and comprehensive financial reporting information to donor institutions on a regular basis in accordance with international accounting regulations. These improvements will lead to transparent cash management, accounting, and financial management systems with ample checks and balances and different levels of authority to minimize fraud and increase cost efficiency and effectiveness.

VI. CHALLENGES AND CONSTRAINTS

Georgia

Program Challenges

1. The National Bank of Georgia Conference (approved on October 27, 2008) was initially scheduled for January 22-24, 2009. However, due to the fact that the NBG failed to engage the keynote speakers, the conference dates were postponed several times. The future of the program is still unclear.
2. Due to the changes in the leadership of the Ministry of Refugees and Accommodation (MRA) the beginning of the program was postponed. With the (re)appointment of Minister Subeliani,

the ministry decided to conduct a strategic planning for their near-term activities. As a result FORECAST had to develop/revise the SoW for the program.

3. The Chancellor of TSU, the main FORECAST interlocutor and driver of performance initiatives at the university, resigned in March, 2009. Timing of program pending appointment of a new Chancellor.

Azerbaijan

Closure of FORECAST/Azerbaijan

In September 2008, USAID informed FORECAST/Caucasus that the work of FORECAST Azerbaijan must be completed by January 31, 2009. FORECAST was therefore requested to submit, 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 for completion of Azerbaijan activities, and allow the CoP to operate the Georgia program only from that date onward.

Subsequently the project was extended for February and March and then for April and May. The extension is no-cost. The office operates with a shortened staff.

Cancellation of Programs

The Study Tour for National Council for Radio and Television (NTRC) was cancelled by USAID. The decision to cancel the program was made because of NTRC's decision not to renew the broadcasting licenses for Radio Liberty, BBC and Voice of America in Azerbaijan.

The Study Tour on U.S. Unified Customs and Border Control program was also cancelled due to technical reasons, as informed by USAID/Azerbaijan.

Public Investment Planning Study Tour was as well cancelled due to unavailability of high level officials (ministers and deputy ministers) from Ministry of Economic Development, Ministry of Finance, National Bank and other government agencies to participate in the program.

VII. 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. FoF is 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.

Teachers' Challenges Regarding Students with AD/HD

On July 2, 2008 the FoF request submitted by CHADD participants was approved by the Mission. The proposed initiative, *Teachers' Challenges Regarding Students with AD/HD* aimed 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 the mainstream educational system as well as the general population.

Activities conducted under the initiative were:

- Conducting surveys in ten pilot schools on awareness levels of school staff on AD/HD;
- Translation, publication and distribution of a booklets on AD/HD, designed for public awareness among teachers, parents and organizations working in education;
- Translation, publication and distribution of the brochures *AD/HD and School*. The brochure includes information on AD/HD and its main aspects; distributed among teachers, parents and organizations working on disability issues;
- Organization of the workshops *ADHD and Special Educational Needs*.

The duration of the initiative was six months with the budget amount of \$8,170.

On March 28 the FoF applicants conducted a seminar *Special Needs of Children with Disabilities* at the Public Defender's office. Approximately 30 participants, teachers and psychologists working with the children with ADHD, attended the seminar.

Applicants also conducted a workshop *Association of Trainer and Teachers* on March 31, where the necessity of combining the existing modules on ADHD and incorporating them into one effective training module was discussed. New materials on ADHD that were developed within the framework of the joint project of the Ministry of Education and Science of Georgia and the Norwegian Directorate for Special Education were also introduced to the participants during the workshop.

The brochures which were developed and published as a result of FoF activities were distributed among the participants of both events.

The aforementioned activities were the final activities of the project. However, due to the fact that the amount of USD 2500 budgeted for the translation of the book on ADHD was not completely expended, the applicants submitted additional request to FORECAST in order to conduct a similar seminar on *Special Needs of Children with Disabilities* in Batumi. The seminar is scheduled for the first week of May.

www.mediaeducation.ge, *News, Information and Educational Resource Website on Media for Students, Teachers and Professionals*

In December 2008, representatives of the Georgian Institute of Public Affairs (GIPA) and the Caucasus School of Business (CSB) submitted a request for FoF to FORECAST. The application was subsequently approved by the Mission in February 2009.

The goal of the project is to establish [mediaeducation.ge](http://www.mediaeducation.ge), news, information, advisory and training forum for journalism and media students, teachers and professionals in Tbilisi, Georgia. [mediaeducation.ge](http://www.mediaeducation.ge) will carry information about: academic and training programs in the field of journalism, media management, public relations and communication, as well as creative media programs announced by Georgian universities and training organizations; international media education opportunities abroad; loans and fellowships, internships and jobs; competitions available to the citizens of Georgia. The project will collect officially-released information and will provide in-depth descriptions of academic and training programs, interviews with education administrators and program participants, video footage and audios of important press-conferences and sites. The website will have an expert blog explaining media education and employment trends, program requirements, legislation and other relevant issues.

The total budget amount of the project is USD 9,997.27. The timeframe of the project is February – September 2009.

Conducting Job Analyses and Producing Initial HR Documentation at the National Bank of Georgia

On January 23, 2009 the FoF request submitted by NBG was approved by the Mission. The proposed initiative, *Conducting Job Analyses and Producing Initial HR Documentation at the National Bank of Georgia* proposed the usage of structured questionnaire and the *Behavioral Card Sort Method* to draft the first “approximation” of competencies for key positions and to prepare draft job descriptions through the following activities:

- Draft and distribute structured questionnaire and briefing letters for job interviews;
- Analyze and classify data gathered from respondents;
- Produce list of ranked competencies for 70 positions;
- Justify the HR matrix according to findings and finalize classifier;
- Produce 70 draft job descriptions. Revise and finalize them in close cooperation with employees and their direct managers. For this aim, the provider conducted interviews with around 260 employees of NBG.

These activities had a direct effect on the management and employees, and the overall organizational performance of NBG has substantively improved.

The activities were undertaken by SMART consulting contracted by FORECAST within the framework of the FoF project. The total cost of the project was \$9,980.

The final report and the deliverables submitted by SMART to World Learning are available upon request.

VIII. 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:

- American Bar Association Rule of Law Initiative — to send 13 participants to the *Magistrate Judges Study Visit* in Massachusetts, Rhode Island from October 24 to November 4, 2008;
- Muscatine Community College — to send three representatives of Gori State University to the *Establishment of the First Georgian Community College* program in Muscatine IA, November 4 – 22, 2008;
- National Association of Regulatory Commission (NARUC) — to send five representatives of the Georgian National Energy and Water Supply Regulatory Commission to *NARUC Partnership* program in Montpelier, Vermont, December 19-21, 2008;

- Advanced Engineering Associates International, Inc. — to send two representatives of Georgian National Energy and Water Supply Regulatory Commission to *PURC/World Bank International Training* held in Gainesville, Florida. Program dates: January 9-26, 2009;
- Georgia State University, Institute of International Business — to send two participants to Atlanta, Georgia for the *Establishment of a PhD* program in Business Administration at Caucasus University in Tbilisi, Georgia. The program commenced on January 2, 2009 and will end on June 3, 2009.
- American International Health Alliance — to send two representatives of the University of Georgia to *Healthcare Management Improvement Project* in Scranton, Pennsylvania, March 26 – April 9, 2009;
- Georgian State University, Institute of International Business — to send one participant to Atlanta, Georgia for the *Establishment of a PhD* program in Business Administration at Caucasus University in Tbilisi, Georgia. The program dates: March 27-May 12, 2009;
- American International Health Alliance — to send two participants to the Study Tour at Saint Louis University from April 18 to May 22, 2009;
- American International Health Alliance — to send one participant to the Study Tour at Saint Louis University. The program will commence on May 2 and will end on May 26, 2009.

The total number of participants processed under Participant Processing Services for the reporting period was 20 male and 11 female.

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

- Bank World, Inc. Financial Sector Stability Program – to send one representative of the National Bank of Azerbaijan to *US Economy: Interpreting the Indicators* workshop held in New York, NY, on October 27 – 31, 2008.
- Counterpart, Civil Society Project – to send one representative from Milli Mejlis, two representatives from Presidential Apparatus and one representative from Counterpart to *Public Financing and Government-NGO Partnership Study Tour* held in Seattle, WA, on November 30 – December 7, 2008

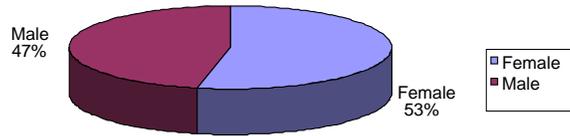
The total number of participants processed under Participant Processing Services for the reporting period was 5 male.

IX. 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.

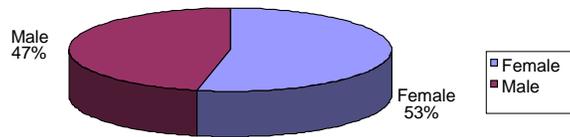
During the reporting period **FORECAST/Georgia** processed 650 participants, out of whom 346 were female (53%) and 304 male (47%).

FORECAST/Georgia pax processed during the reporting period



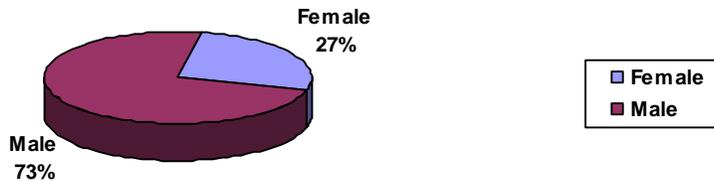
The total number of the participants processed to date is 760, of whom 401 (53%) were female and 359 male (47%).

FORECAST/Georgia pax to date



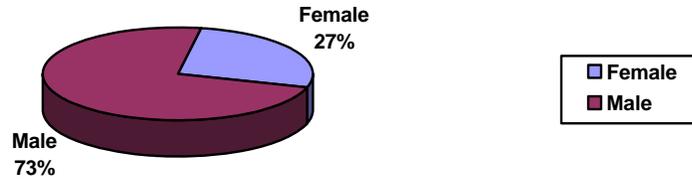
During the reporting period, **FORECAST/Azerbaijan** processed 197 participants, out of whom 54 were female (27%) and 143 male (73%).

FORECAST/Azerbaijan pax processed during the reporting period



The total number of the participants processed to date is 205, of whom 55 (27%) were female and 150 male (73%).

FORECAST/Azerbaijan pax to date



X. 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, neither **FORECAST/Georgia** nor **FORECAST/Azerbaijan** procured services from any MSIs or HBCUs.

XI ADMINISTRATIVE OVERVIEW

Georgia

HR/Personnel

During the reporting period, FORECAST hired a Training Officer, who replaced Ms. Rusudan Tsereteli (resigned at the beginning of January, 2009).

Procurement

In February FORECAST purchased two computer processors in accordance with the WL procurement policy. Both newly-procured items were labeled with USAID stickers and entered into the WL master inventory list.

Health Insurance

World Learning has extended the contract with the health insurance company Aldagi-BCI in order to provide health insurance for World Learning local staff. However, due to the fact that the prices for the medical service in Tbilisi have increased, the insurance premium for World Learning staff and one dependent grew up from USD 57 to USD 75 per month.

TraiNet Reporting

FORECAST continues to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia. During the reporting period 11 partner organizations out of 35 responded. There were 26 programs in total: 20 ICT and 6 TCT. The total number of participants was 756, of whom 591 (78%) were female and 165 (22%) male.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September 2007, and approved by the CTO in December 2007. 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.

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.

On November 24, 2008 FORECAST received comments on the website design from USAID, Washington and is currently in the process of updating the website's design and content according to the received comments. Unfortunately, the local providers (webmasters) with whom FORECAST has consulted do not know how to comply with a number of the more complicated requirements.

Azerbaijan

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. During the reporting period 8 partner organizations out of 17 responded. There were 51 programs in total: 47 ICT and 4 TCT. The total number of participants was 2739, of whom 1199 were female (43.7%) and 1540 male (56.3%).

Equipment disposition

In September 2008, an Action Memo regarding disposition of the property and equipment purchased with USAID funds under the START activity and transferred to FORECAST in August 2007 was approved. In October 2008, equipment and furniture was transferred to four local NGOs: Praxis (Agdam and Fizuli regional branches), Rifah (Agjabedi region), Intibah (Barda region), Ahillar (Sheki region).

Due to the announced closure of the project, WL/Azerbaijan has prepared a disposition plan for the remaining FORECAST property and equipment. Following discussions on preferred recipient partners, the action memo was submitted to USAID in January 2008.



USAID
FROM THE AMERICAN PEOPLE

CAUCASUS
FORECAST Project

FORECAST/CAUCASUS

Quarterly Report
October 2008 - December 2008

and

Monthly Report for
January 2009

Task Order Number: RAN-I-00-05-00026-00

Task Order Period: August 27, 2007 – May 5, 2011

Submitted to USAID/Caucasus
By World Learning

January 31, 2009

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FORECAST
Organizational Development and Training Program

AZERBAIJAN

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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

HOUSEHOLD BUDGET SURVEY (HBS) METHODOLOGY DEVELOPMENT, Baku, Azerbaijan, May 2008 – January 30, 2009 – in progress

In April of 2008, USAID/Azerbaijan requested that the FORECAST program undertake an institutional development program to build on and extend the core capacities of the 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.

Initial program activities focused on the formation of the project's research group, research design, and development of survey questionnaires, and obtaining E-Views 6.0 Standard Edition software program that is a key for quality research analysis. Unfortunately, however, it was not until the ERC began its consultations with local and international partners during the late summer of 2008 that they found that the World Bank had begun planning for a similar survey that was 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. USAID approved an Action Memorandum prepared by FORECAST/Azerbaijan requesting approval for modification of the survey for the activity at no cost to the program. The rest components of the program remained the same.

After approval of the survey modification, ERC experts made trips to 30 locations in the regions of the country in December 2008 and January 2009 where they trained local surveyors and started a pilot survey process using the pilot survey questionnaire. The experts made one more trip to these regions where they checked the information received through the surveys, and worked with local surveyors to remove technical errors and gaps. Finally, the local surveyors conducted final survey with using final modified survey questionnaire. ERC experts made final trips to the regions to monitor the survey and gather questionnaires. The information is currently being entered into the E-view software program for processing results and analysis. The final report on the project will be sent to USAID in April.

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

The Training Program for Actuaries was 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 was to further professionalize the insurance industry in Azerbaijan through the introduction of international standards in actuary accounting. This program not only filled a much-needed gap in the training of actuaries in the country, but also assisted 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 Ministry of Finance and the Azerbaijan Insurers Association organized and conducted the first Actuarial Training Program (Course 1 of a 6-course professional certification series) in Baku, on July 15 – August 8, 2008. Due to the importance of this certification program for the insurance industry in Azerbaijan, USAID/Azerbaijan through FORECAST co-funded two of the actuarial training courses (rerun of the 1st and conduct of the 2nd course). The training methodology used in the training program was developed by Dr. Michael Sze – a renowned actuary certification trainer, and implemented by the group of actuary trainers are from the Actuarial Society of Kazakhstan. This methodology was used for actuary certification program held for the Actuarial Society of Kazakhstan in 2004. The training program consisted of two course modules:

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

The first actuarial training course consisted of three weeks of formal lectures and exercises ending with the Second Qualification Examination for Course 1 on October 12. This was followed by one additional week of review ending with the Third Qualification Examination for Course 1 on October 17. Each week consisted of five days of teaching, followed by a Mid Term Examination. Each teaching day consisted of two lectures in the morning, and a tutorial followed by a test session in the afternoon. Thirty participants attended the course and 13 of them passed Qualification Examination, a percentage better than that found in similar courses offered in other countries by the training team.

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

The second actuarial training course consisted of three weeks of formal lectures and exercises ending with the First Qualification Examination for Course 2 on November 22. This was followed by one additional week of review ending with the Second Qualification Examination for Course 2 on November 29. Each week consisted of five days of teaching, followed by a Mid Term Examination on Saturday. Each teaching day consisted of two lectures in the morning with a tutorial followed by an exercise session in the afternoon. Twenty five participants attended the course, 18 of them passed Qualification Exam on November 22, 2008, 6 passed the exam on November 28, 2008 and one participant failed to pass both exams. The results were considered by the trainers as exceptionally good.

The program has significantly helped the State Insurance Supervision Department in advancing its work. The SISD has gained the following advantages as a direct result of the efforts of the FORECAST program:

- o SISD has obtained very valuable new KSA resources to effectively supervise local insurance companies and has started making plans on developing the actuarial profession

in Azerbaijan through the replication of the 1st and 2nd module, and organizing 3rd and 4th modules in 2009. These plans also include developing licensing procedures for actuaries to be implemented in the future.

- The program trained 4 local trainers to independently conduct the first and second module of the Actuarial training program in Azerbaijan. The department will now be able to organize these trainings on a regular basis for insurance companies, banks, other financial institutions. The SISD will conduct the first module of this training in January.
- Local insurance companies and commercial banks have changed their attitudes regarding the actuary profession; several of them have already opened vacancy for such.
- The program now allows the SISD to work with the International Association of Insurance Supervisors (IAIS) on advancing international standards on the actuary profession in Azerbaijan.

MANAGEMENT INFORMATION SYSTEM (MIS) AT THE STATE INSURANCE SUPERVISION DEPARTMENT, Baku, Azerbaijan, November 7, 2008 – January 9, 2009

Technical Assistance on MIS at the State Insurance Supervision Department is the second intervention aimed at building institutional capacity of the State Insurance Supervision Department (SISD) of the Ministry of Finance. The technical assistance is targeted at identifying the most suitable vendor and MIS software/hardware for the SISD MIS system to automate the regulatory functions of the department that was required for its proper and efficient institutional performance.

The objectives of the TA are to assist the SISD in preparing a Request of Proposals (RFP) for procurement of the applicable MIS software and hardware for the automation of financial reports and other information produced by local insurance companies; and to assist the SISD in reviewing and selecting the appropriate vendor for the procurement of the department's MIS software/hardware.

The TA consisted of two stages:

The first stage included preparation by the provider of a detailed tender and RFP in consultation with the SISD and MoF, and in accordance with the specifications and directions provided by the previous USAID-funded assessment. In addition, the provider was responsible for research and contribution to the preparation of a comprehensive list of qualified potential vendors to whom the RFP was eventually released and development of a transparent and detailed set of criteria for evaluating responses to the RFP and for determining the winning (most competitive and appropriate) bid.

During the second stage, the provider will assess the proposals/tenders of all potential bidders, served on the procurement selection committee and prepared a formal evaluation document to support the award on behalf of the SISD.

The provider submitted the tender and RFP for the MIS procurement. The provider will also provide evaluation criteria for awarding the contract, summary evaluation of all bids received, based on functional and technical capabilities and recommendation of the most appropriate and competitive MIS system.

Announcement of the Request for Proposals has not yet taken place since its approval procedure by the Ministry of Finance leadership has taken longer than originally anticipated. Per FORECAST negotiations with the SISD leadership, the Ministry of Finance will announce the RFP soon - most probably in March. Therefore, the provider has also not yet conducted an

evaluation of proposals (the final deliverable). However, there is no doubt that the expert, Mr. Naresh Duggal, will fulfill his responsibilities of delivering offsite consulting on evaluation of the proposals when they are received.

ANNUAL AUDIT, RISK AND GOVERNANCE CONFERENCE 2008, Copenhagen, Denmark, October 29 – 31, 2008

The Annual Audit, Risk and Governance Conference 2008 was the first of two interventions targeted to support the Corporate Governance Division of the Ministry of Economic Development, which lacked core competencies and knowledge regarding basic technical, regulatory and legislative issues related to corporate governance. The participants were a Head of department and an Advisor to the division.

The goal of the conference was to outline and address the major challenges in audit, risk management and governance faced across the world, as well as to identify future development potentials of the industry. During the program, the participants learned how to: integrate corporate governance, ethics, standards and trust into business strategies; identify and control business risks; enhance dialogue, mutual learning, and competence in the industry; promote innovative and inclusive development strategies, policies and concepts; provide an open platform of experts, practitioners, researchers and policy makers; facilitate exchange of policy issues between businesses, institutions and governments.

As a result of the program, after their return to Azerbaijan the participants have shared the received knowledge with their colleagues in the Ministry of Economic Development. This program provided them with a number of practical ideas on how to encourage local companies to adopt corporate governance principles, and develop a draft of the Corporate Governance Code currently underway. The program has also helped the department in further preparing for a national corporate governance conference in Baku to be held sometime in the spring of 2009.

DEVELOPMENT OF AZERBAIJAN MICROFINANCE ASSOCIATION (AMFA) HR STRUCTURE AND SYSTEM, Baku, Azerbaijan, October 13, 2008 – November 21, 2008

Development of the AMFA HR Structure and System was the first of three interventions to support the institutional development of the Azerbaijan Microfinance Association. The goal of the program was to improve the human resources (HR) management of the association in its capacities to increase staff efficiency and motivation, and reduce personnel turnover. The intervention was conducted in four phases as follows.

The first stage consisted of surveys and initial analysis:

- Among AMFA staff: the *AMFA Employee Survey and Twelve Motivation Factors Survey*.
- Among AMFA management/leaders: the *Manager-Once-Removed Rating Form* and *Leadership Self Assessment Form*.
- Among AMFA Board members: *Client Satisfaction Survey*.
- A Job Analysis Questionnaire was also conducted among all AMFA staff members to identify core requirements, and knowledge, skills and abilities for each job positions at the AMFA.

The second stage was a midterm discussion with primary stakeholders of the assessment findings and included discussion of gaps and their root causes determined during the assessment, as well as a discussion of draft recommendations with the Executive Director.

The third stage was the development of customized HR tools: based on results from the above survey, recommendations about an incentive system at the AMFA were prepared and discussed. As a result of discussions with the Executive Director, and AMFA's Strategic Planning Expert, an incentive system was agreed to and the *AMFA Employee Incentive Policy* was developed.

The fourth stage was to improve AMFA HR policies and procedures. All HR- related Policies and Procedures were reviewed, the necessary revisions/amendments were made, and new policies/procedures were developed.

One specific success of this project was achieving the goal of providing AMFA with an Effective Staff Performance Management System through the AMFA Employee Incentive Policy/Procedures and Employee Performance Appraisal System. The only significant difficulty faced by the TA provider during the project accomplishment was collecting information by survey questionnaires from AMFA member organizations.

STRATEGIC PLANNING FOR AZERBAIJAN MICROFINANCE ASSOCIATION (AMFA), Baku, Azerbaijan, October 27 – 31, 2008

Strategic Planning for AMFA was the second intervention designed to support AMFA's institutional development. The goal of the technical assistance was to strengthen the long-term financial sustainability of AMFA.

The TA consisted of the following stages:

- Development of 2009/2010 AMFA Strategic Plan - During this stage, the provider met with member MFIs to gather feedback on AMFA's progress and the ability for AMFA to meet their current needs; and with AMFA employees and board members to brainstorm on AMFA's strategic direction, opportunities, and risks for the upcoming 2-year strategic plan. In addition, the provider analyzed the current challenges facing the business, and conducted an analysis of AMFA's financial management.
- Development of AMFA guiding principles for the private sector on the value of participating in AMFA's endowment fund - During this stage, the provider identified key criteria for private sector funding, and developed a business plan with AMFA to more effectively target key national and multinational companies. In addition, the TA organized and facilitated a working session with key private sector decision makers to form an AMFA Executive Panel, through which the provider developed an action plan to solicit support for the AMFA Endowment Fund. The provider also developed an action plan on products and services for AMFA to develop on a fee-for-services.
- Evaluation of the recommendations received from a local HR company on employee incentive programs - During this stage, the provider reviewed and provided feedback to AMFA on proposals that fit AMFA's needs, and assisted the AMFA staff in setting individual goals for their 2008/2009 performance.

The following recommendations were made as a result of the program:

1. Talent Management and Retention – Developing the AMFA staff.

It has become more and more important that AMFA focus on providing developmental opportunities to its staff, since salary alone will not retain them. A well ventilated work space, with

adequate light and room temperature, with enough space for the staff to effectively do their work, will be key to talent retention.

2. Development of a P&L framework

AMFA's next step in financial rigor is to understand the contribution margin for each of its projects. It is recommended that AMFA source a volunteer with a background in financial management to assist AMFA in setting up the templates needed to conduct this analysis.

3. Commissioning a Report on "The Impact of the Financial Crisis on the Microfinance Market in Azerbaijan".

AMFA has a unique opportunity to develop a leading edge report which examines the impact of the financial crisis on the microfinance market in Azerbaijan. The report would examine the MFIs, their portfolio impacts and techniques they are employing to mitigate exposure and risk. This could also focus on key recommendations on how the government and MFIs can further strengthen the microfinance market moving forward.

4. Development of an AMFA Endowment Fund

An ongoing concern is the dependency of AMFA's budget on donor grants. While donor grants will always be a core component of AMFA's gross income, it will become more and more crucial that they diversify their gross income sources to reduce risk. An AMFA endowment fund is one way to stabilize AMFA's income and to ensure a steady income stream.

To date, AMFA has done a great job in trying to realize the recommendations made by the provider. None of them have been completed, but all are in process. Below is a brief list of projects they are working on currently:

1. AMFA has signed a contract with International Finance Corporation to receive trainings on leasing through 2012. The trainings will be held annually; the first one will be held in February of 2009.
2. AMFA will contract a training portfolio (multi-level) program from Adventures World (AW), a training organization. In March the leadership plans to identify AW's training courses to be conducted in Azerbaijan and then sign a contract with this organization.
3. The personnel incentive system has been developed and will be considered by AMFA's Board in March.
4. The membership fee scheme has been revised. It used to be a fixed amount for each organization, but the membership fee will now depend on the member organization's assets (with categories of organizations with assets higher than 5,000,000 AZN, and less than 5,000,000 AZN). Thus the membership fee has been increased for some organizations; but nevertheless all of them enjoy the same services.
5. AMFA started preparation work for commissioning a report on "The Impact of the Financial Crisis on the Microfinance Market in Azerbaijan". By the end of March they anticipate to find a donor organization to fund this unique research report.

EUROPEAN MICROFINANCE WEEK, Luxembourg City, Luxembourg, November 12 – 14, 2008

European Microfinance Week was the third intervention targeted at AMFA's institutional development. The goal of the program was to facilitate the exchange of information and promote cooperation among various European and non-European actors involved in microfinance in developing countries.

Over 300 people from across the microfinance spectrum in the wider European region attended the Fourth European Microfinance Week. The event was characterized by lively and enthusiastic debate both within and between different groups of European microfinance actors working in developing countries. Members of e-MFP (European Microfinance Platform) included banks and financial institutions, government agencies, NGOs, consultancy firms, researchers and universities.

The conference offered both panel and interactive discussion sessions designed to allow attendees to learn more about microfinance strategies of fellow attendees, to share experience regarding topics of interest, and to participate in e-MFP working groups that explore various topics.

The theme for the 2008 meeting was Frontier Issues in Microfinance - opportunities and challenges for European actors. The focus was on the topics on social responsibility, food crisis, technology, international and local funding, reaching the most vulnerable, risk and disaster management, micro insurance and social security.

The Azerbaijani participants were the Research Manager and Benchmarking Project Manager of the AMFA.

STUDY TOUR ON U.S. AGRICULTURAL AND TECHNICAL EDUCATION, Ardmore, OK, USA, December 1 – 5, 2008

A group of eight participants attended a Study Tour on US Agricultural and Technical Education conducted in Ardmore, OK on December 1 – 5, 2008. The participants were two representatives from the Ministry of Agriculture, two from Ministry of Economic Development, two from the Ministry of Ecology and Natural Resources, one from the Ministry of Education and one from the Azerbaijan Ganja Agricultural Academy.

The goal of the study tour was to allow government institutions involved in regional and agricultural development the opportunity to examine ways providing of agricultural and technical education support for non-oil sector areas, and the appropriate role of the public sector in supporting market-based sustainable agricultural development.

During the study tour the participants visited the Noble Foundation where they received a general introduction to the foundation, including its purpose, structure, funding, services available and impact on private sector-led agricultural development. The participants also learned the role of the Foundation in providing critical support services designed to promote sustainable market-based agricultural development, critical challenges facing agricultural producers/processors in improving market access in a competitive global context; the and key role of market information and research/extension services within this context. While at the Noble Foundation, the participants also attended a problem-solving workshop on problem identification, presentation, and resolution.

The participants also visited Oklahoma State University (OSU), where they discussed animal medicine and partnership ideas for educational institutions, which would provide a transformational impetus for the development of a best practices-oriented agricultural educational/training system for Azerbaijani students.

The participants have expressed their interest to establish cooperation between their institutions and the Noble Foundation. They noted the importance of applying the experience they learned during the study tour in the following fields:

- Scientific cooperation with farmers;

- Creating human resources in the veterinary field;
- Designing agriculture educational curriculums;
- Government support for agriculture development;
- Social partnerships with government;
- Scientific laboratories for agriculture.

TECHNICAL ASSISTANCE (TA) ON EXTERNAL DEBT TRACKING FOR THE CABINET OF MINISTERS, Baku, Azerbaijan, December 5, 2008 – January 14, 2009 – in progress

The goal of the TA on External Debt Tracking for the Cabinet of Ministers is to support the Department for Coordination of Credits, Technical Assistance and Grants Received under the State Guarantee in planning their external debt tracking system through development of a near-term institutional strengthening strategy.

The TA, in progress at the time of this report, consists of the following stages:

Stage I: Conduct surveys and initial analysis, which included review of the department’s current mission, strategies, activities and organizational structure and analysis of the department’s currently utilized external debt tracking procedures and related activities.

Stage II: Midterm discussion of the assessment findings included, with the department leadership, exploration of the gaps and their root causes determined during the assessment and review and adjustment of draft recommendations.

Stage III: Development of general principles and regulations on external debt tracking system consisted of development of: recommendations on establishing system for efficient management, monitoring and analysis of external debt; recommendations on optimization of organizational structure and human resources needed to run the external debt management, monitoring and analysis system; action plan on incorporating recommendations.

Stage IV: Follow-on Trainings, which included basic training program in debt tracking and management and other basic trainings on issues based on developed recommendations.

Stage V: Final Presentation on results of the program for government institutions and international organizations which are stakeholders of the project.

NATIONAL CORPORATE GOVERNANCE CONFERENCE, Baku, Azerbaijan, January 14 – 16, 2009

The National Corporate Governance Conference is the second intervention designed to support the Corporate Governance Division of the Ministry of Economic Development. This conference will be co-organized and co-funded by the International Finance Corporation (IFC). In cooperation with the Global Corporate Governance Forum (GCGF), the IFC will invite international speakers and participants from other countries, where corporate governance standards had been successfully advanced and applied.

The goal of the conference is to introduce the participants to corporate governance principles as well as assist the Corporate Governance Division identify perspectives and a framework for the advancement of corporate governance in Azerbaijan.

The intervention will consist of a one-day Conference on “Corporate Governance Codes and Benefits of the Corporate Governance Practices for Azerbaijani Companies and Banks” and a

two-day Workshop on “Developing and Implementing Corporate Governance Codes of Best Practices”.

STUDY TOUR TO CASH OPERATIONS CENTER, Atlanta, GA, January 26 – 28, 2009

The goal of the Study Tour to Cash Operations Center of the Federal Reserve Bank (FRB) of Atlanta is to assist the National Bank of Azerbaijan in building technical capacities for designing, equipping, and managing a modern cash operations center. The participants are the Head of the Cash Operations Department, the Head of the Security Department, and the Head of the Storage Department at the National Bank of Azerbaijan.

While visiting the Atlanta Federal Reserve Bank, the participants will meet with management and staff and discussed the following topics, *inter alia*:

- Joint custody team rules as applied in the FRB
- On-line note destruction, off-line destruction and handling of rejects and notes that cannot be machine processed
- Cash Management System functional description
- Management of banknote fitness in circulation
- FRB-Atlanta cash operations organization structure
- Access restrictions, custodial inventories, outsourcing, and other new FRB policies
- Organization and management recommendations for new cash center planning and implementation

GOVERNING JUSTLY AND DEMOCRATICALLY

BUILDING NGO ACCOUNTANCY CAPACITY, Baku, Azerbaijan, December 23, 2008 – January 30, 2009 – in progress

The goal of the Building NGO Accountancy Capacity training is to strengthen institutional capacities of local NGOs in meeting internationally accepted standards in financial management, accounting and internal audit.

The program includes technical assistance for each of the selected local NGOs on the following::

- Overall Assessment of all aspects of organization that impacted financial management and accounting systems;
- Trainings on best practices of financial management customized with the needs identified during the assessment;
- Development of workplan to improve the areas identified as weaknesses during the assessment;
- Follow up consultancy and mentoring for introduction and implementation of recommended policies and procedures in financial management.

The assessment will recommend the appropriate accounting software program that each organization needed to install and use for the proper tracking and management of its finances. The software type that will be recommended to each organization might differ depending on the different needs assessed.

Participants in the technical assistance program include finance staff of the following local organizations:

1. “Multimedia” Information Technologies and Systems Center

2. Global Economic Researches Center
3. Azerbaijan Marketing Society
4. Praxis
5. Ganja Regional Women Center (Ganja)
6. Economic Research Center
7. Women Bar Association
8. Election Monitoring Center
9. Rational Women Association
10. Society for Protection of Women Rights named after Dilara Aliyeva

INVESTING IN PEOPLE

ISO 9001:2000 QUALITY MANAGEMENT SYSTEMS – REQUIREMENTS, Baku, Azerbaijan, October 25, 2008

ISO 9001:2000 Quality Management Systems – Requirements was the second intervention conducted to support middle management and technical staff of Public Health and Reform Center (PHRC). The participants were 13 employees of PHRC.

The goal of this one-day training was to educate the PHRC top and middle management on quality management systems and to assist them in the development and implementation of the National Quality Improvement Strategy in the health sector.

The participants learned about modern internationally-recognized certification process. During the training they gained information about ISO, its purposes and structures, ways and standards of quality management, quality control and certification processes. The training was especially relevant because all the topics were tailored for the health care providers and the trainer used case studies and examples from health care situations.

Participants were particularly interested in issues of quality control. PHRC is closely involved in designing the quality control tools for health care workers, thus information on relevant standards was extremely helpful. Trainees will use this knowledge in their future work while developing quality control tools and mechanisms.

Georgia

ECONOMIC GROWTH (E&G)

CHAMBER OF COMMERCE AND INDUSTRY OF GEORGIA

The technical assistance (TA) at the Georgian Chamber of Commerce and Industry (GCCCI) program aimed to assist the GCCCI 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 launched 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 GCCCI 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.

The first/suspended phase of the program restarted on October 4. During the first week of this phase the lead consultant, Ms. Irena Rezec finalized the assessment of the GCCI. Ms. Rezec also conducted practicum training, mentoring and consultations at the Chamber on the following topics:

- Business opportunities exchange approach;
- Export Promotion Unit;
- Business information sources in a Chamber of Commerce's daily practice;
- Internal ICT tools in a daily business.

Ms. Rezec also traveled to Batumi to conduct similar activities in the regional chambers.

From October 14 Ms. Rezec was assisted by Mr. Thei Vaes, business development and marketing expert, who concurrently worked with the central Chamber office in Tbilisi, and the Telavi chamber. The first phase ended on October 17, 2008.

The second phase of the activity started on November 3, 2008. Ms. Irena Rezec, assisted by Mr. Wieger D. Otter, expert in business planning, worked with the GCCI on the following issues: the business plan preparation, recommendations on the future activities, sustainability issues. Meetings were also held with a number of international donor organizations where the potential cooperation with the GCCI was discussed. On November 6, during the first debrief meeting, the consultants presented their preliminary findings to FORECAST.

The TA was completed on November 11, 2008.

On December 9 WOTRA sent the first part of the final report, including a draft of the action plan for the development of the chamber's services (for three major phases – initial, early-implementation, and self-sustainable phase), as well as estimated budget needed for these activities. The second, remaining part of the final report was sent to FORECAST on December 12. The report included the following:

- Analysis report (September 2008);
- Summary of the internal assessment;
- Recommendations and three possible scenarios for the GCCI and region CCIs development;
- A draft business plan;
- A draft action plan for the three-phase development of the chambers;
- An estimated budget needed for the above mentioned activities.

Please see the final report to USAID for a detailed review of the outputs and outcomes of the TA program.

NATIONAL BANK OF GEORGIA/HR DEPARTMENT

The goal of the program was to assist the National Bank of Georgia (NBG) to strengthen (and where appropriate redevelop) its HR management systems. The activity was conducted by the American consulting firm Laurdan Associates, Inc. and the local NGO SMART Consulting.

SMART Consulting started its activities on November 17 and was joined by Mr. Ronald Adler of Laurdan Associates on December 1. The project team analyzed existing HR documentation and

designed a draft job matrix. This matrix is based on job evaluation process, which includes grouping different jobs in job families classifying them according to the level of responsibility and functionality. At the same time, the content of the revised HR manual was agreed to and the project team commenced working on it.

After the departure of Mr. Adler, SMART Consulting continued working with the NBG staff on the job classification system, salary schedule, performance based bonus system, and the HR manual.

The program ended on December 30, 2008 and on January 5, 2009 SMART Consulting submitted the following documents to FORECAST and NBG:

- 1) Recommendations for improving the HR management system at the NBG;
- 2) Recommended performance management and evaluation system;
- 3) Recommended system of classifying and draft salary scheme with fragment of classifier toward NBG positions already analyzed;
- 4) HR training materials provided for the NBG staff;
- 5) English and Georgian versions of HR Policy Manual;
- 6) Recommendations for implementation of Performance Appraisal System in NBG;
- 7) Recommendations on NBG job classification and a standardized remuneration system.

On January 7 Laurdan Associates sent the following documents to FORECAST and NBG:

- 1) Final report;
- 2) Laurdan Associates HR auditing tool on Job Performance Management.

Based on the recommendations received from SMART Consulting and Laurdan Associates, the leadership of NBG aims to submit to FORECAST an application for Follow-on-Funding (FoF). Through FoF NBG will continue working with SMART to develop around 100 job descriptions for the bank's staff. The FoF activity is planned for January-February 2009.

GEORGIAN ACCREDITATION CENTER (STUDY TOUR AND CONFERENCE)

The goal of the Georgian Accreditation Center (GAC) program is to improve the GAC Quality Infrastructure System¹ as well as to strengthen theoretical and practical knowledge of management and key staff, in order to facilitate the pre-conditions for the successful integration and recognition of a Georgian accreditation and (eventual) certification regime for international markets. The program consists of the following three components:

1. Study tour to the Latvian National Accreditation Bureau (LATAK);
2. Participation of the GAC General Director in the annual EA General Assembly in Portugal;
3. Technical assistance at the GAC.

The first two components of the intervention took place in October and November, 2008. The third component will be implemented in the nearest future.

Participation in the ***LATAK Study Tour (October 27-31, 2008)*** gave the Georgian participants an opportunity to:

¹ ***Quality Infrastructure System*** - the objectives of alignment on European practices. *Quality infrastructure includes central public bodies with regulating functions in the field of standardization.*

- Become acquainted with the Latvian legislation concerning conformity assessment. Specifically, the following topics were discussed: duties and responsibilities of LATAK; LATAK structure; distribution of responsibilities; LATAK internal IT system; LATAK in EA MLA; membership in other international organizations ILAC/IAF;
- Participate in the assessment of the medical laboratory. The covered topics include: external quality assurance (EQA) system for medical laboratories; implementation of “ILAC-G13:08/2007 ILAC Guidelines for the Requirements for the Competence of Providers of the Proficiency Testing Schemes”; principals for forming accreditation scopes for different type of conformity assessment bodies; evaluation of independence and impartiality during accreditation of laboratories and certification bodies; provision of traceability of measurement in testing and calibration laboratories;
- Acquire knowledge on LATAK’s daily activities, accreditation processes and decision making. The participants and the LATAK representatives discussed the following issues: questions related to application, preliminary visit, contract, appointment of experts, document control, elimination of non-conformances, assessment, decision making and appeals;
- Acquaintance with the use of ISO 17011 and ISO13528 stat. methods; implementation of EA/ILAC/IAF guidance documentation in LATAK QMS; introduction with the LATAK QMS documentation.

According to Paata Gogolidze, GAC General Director, the positive results of this study tour were:

- Familiarization with all aspects of the implementation and realization of standard requirements in practice (including: quality management system documentation, steps for implementation of international guides in work procedures of the management system);
- Participation in on-site laboratory testing;
- Improvement of basic knowledge about EA/ILAC/IAF requirements;
- Receiving standards and other EA/ILAC/IAF documentation from LATAK (GAC intends to translate important guides into Georgian language);

In other words, the information and knowledge gained during this study tour provided the GAC participants with a better understanding of what documentation and QMS (Quality Management System) processes are required for developing GAC’s standards and processes as well as applying for EA membership.

FORECAST also sent the GAC director to the ***Annual EA General Assembly (November 17-19, 2008)***. The purpose of this program was to:

- Represent GAC at the assembly, and to demonstrate Georgia’s willingness and ability to join the EA;
- Express Georgia’s readiness to conclude bilateral agreements for assistance and sponsorship with national accreditation bodies from EA member countries;
- Discuss steps and requirements for GAC to sign a cooperation agreement with the EA;
- Obtain information regarding directions, standards and experiences of other countries entering the international accreditation system.

On the whole, participation in these two components of the program gave the participants an opportunity to strengthen the GAC’s understanding of the requirements and standards for internationally-recognized accreditation bodies, necessary to gain EA recognition of the center. By acquiring EA membership, the GAC will acquire the right to issue accreditation certificates that

will be recognized by all EA countries (i.e.: all EU countries). This will give Georgian products an opportunity to more easily access the EA market.

For more information on this program, please see **Success Stories** below.

PROFESSIONAL TRAINING AND CERTIFICATION PROGRAM FOR NATIONAL FORENSICS BUREAU — In Progress

In an effort to increase the capacities of the National Forensics Bureau to better interpret the practices of commodity, engineering and construction-technical examinations, the USAID/Georgia mission requested FORECAST to fund participation of the group of experts from the bureau in professional training and professional certification program for real estate appraisers (November 25, 2008 – March 10, 2009). Both programs, developed by the Association for Protection of Landowners Rights (APLR), will enable trainees to gain theoretical knowledge and technical skills in the field of real estate appraisal — a technical-legal area that is of priority interest to the MoJ.

Real estate appraisers' professional training program was designed by qualified experts in conformity with international standards and local requirements as well as within the scope of USAID SME Support Project.

During the training the following issues will be addressed:

- Legal aspects of real estate;
- Technical assessment;
- Profession of appraiser;
- Valuation process;
- Highest and best use analyses;
- Preparation of valuation report.

Upon completion of the training program participants will undergo professional certification and receive the respective certificates verifying their professional qualification and expertise. Certification program fully complies with the requirements of the international standards ISO/IEC 17024:2006 – General Requirements of the Bodies Operating Certification of Persons. The certification program will consist of two stages: testing and practical work.

On the whole, participation in the program will provide the participants with an opportunity to improve the technical skills of forensic experts in preparing technical-legal conclusions in accordance with the requirements of international standards. The program will also provide the participants with a practical guidance on modern valuation methodologies and principles.

DEMOCRACY AND GOVERNANCE

CONFERENCE ON LEGAL EDUCATION

The Conference on Legal Education was conducted July 18-19, 2008 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.

Below is a short report provided by the ABA:

“The conference ‘Judicial Independence and Legal Education – Two Pillars of a Democratic Legal System’ took place on July 18-19 in the Courtyard Marriott Hotel. Representatives of the GOG, non-governmental sector, judges, legal scholars and practitioners, journalists, international organizations and other actors in the field attended the conference. Furthermore, judges from Romania, Estonia, Germany, Norway and US have spoken at the conference along with two US law school deans. Senior Judge John Walker of the US Appellate Court of the Second Circuit was the keynote speaker of the conference. US Ambassador Teft welcomed the participants of the conference on the first day after the introductory speech by Chief Justice Kublashvili.

The conference addressed significant and important issues related to the judicial reform and legal education. There were panel discussions dedicated to the following topics: The Role of the Judiciary in Promoting and Maintaining the Rule of Law; The Status of Judicial Reform in Georgia; Judicial Independence and impartiality - a view from the trial bench and from beyond the judiciary. The speakers and presenters at the conference were: George Papuashvili, President of the Constitutional Court; Zaza Meishvili, Deputy Chief Justice; Valeri Tsertsvadze, Chairman of the Tbilisi Court of Appeals; Giorgi Khizanishvili, Acting Secretary of the High Council of Justice; Shota Rukhadze, Deputy Director of the High School of Justice; Mariam Tsiskadze, Supreme Court Justice. Public Defender of Georgia, Chairman of the Georgian Bar Association, Chairman of the Georgian Young Lawyers’ Association and Representative of the Mass Media Council provided their opinions regarding the judiciary in Georgia.

The second day of the conference was devoted to legal education reform issues in Georgia, including the importance of developing sound program accreditation standards for law faculties, so that Georgian students receive quality legal education. During his keynote speech, Judge John M. Walker noted that quality legal education is the prerequisite for the rule of law state and the program accreditation is the way to go to make sure that universities are preparing well-trained cadre of legal professionals. During the conference, it became obvious that while there is an overall agreement that program accreditation of law faculties is needed, the stakeholders are not in agreement as to when and how to go about it. Dean Jay Conison and Dean Veryl Miles shared their experience with the participants and noted that program accreditation standards and procedures do not have to be elaborate. For the beginning, it would be sufficient to agree on the basic principles and parameters and then work continuously to improve the system.

Based on the interest from the participants, significant time was devoted to discussing the relationship between the Bar Exam and program accreditation standards, as well as competencies based curriculum design. Due to the future merger of the Ministry of Justice and the Prosecutor General’s Office, the new membership in the Parliament Legal Affairs Committee, and the recent resignation of the Dean of Tbilisi State University Law Faculty, many important questions remained unanswered, including who will be leading the process of developing program accreditation standards for the law faculties and when is it expected to begin this process.

The goal of the conference was to bring together all of the professionals above in order to discuss essential issues for the rule of law, Georgia’s achievements and further steps. The conference proved to be very successful and was widely covered by the Georgian press.”

HEALTH AND SOCIAL DEVELOPMENT (HSD)

TBILISI STATE UNIVERSITY (TSU) HICD – In progress

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 the TSU leadership and 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 through the meetings and interviews;
- 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.

Following delays brought on by the August conflict, the second phase of the assessment took place from October 19 to 29, 2008. During this phase the main focus was made on the process analyses of the areas identified during the first phase of the assessment, such as: governance and management; financial strictures, flow and decision-making; recruitment, evaluation and staff motivation; impact and issues of GoG higher education legislation/policy as it affects TSU operations, implementation of strategy, and improvement process. At the final stage of the assessment the presentation was held for the stakeholders group acquainting them with the findings and potential intervention recommendations.

After receiving the final assessment report from KNO, FORECAST held follow-up meetings with the TSU rector and the chancellor for their comments on the findings. Currently the intervention package is under development. For more information, please see **Success Stories** below.

NATIONAL EDUCATION ACCREDITATION CENTER (NEAC) HICD – In progress

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).

With considerable delay between the visits due to the August conflict, the performance assessment was carried out in two phases (July and October) 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.

The project's first phase was mainly dedicated to the systematic process of gathering and analyzing information. 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.

Throughout the assessment, PDI, together with the local partners, conducted the following activities:

- Review of relevant documents (legal, financial, internal procedures) regulating work of the organization;
- Survey of internal and external stakeholders that are active within the education system (one-on-one interviews, focus group discussions);
- One-on-one meetings with experts from each department, leading to understanding and mapping of major processes of the NEAC;
- In depth analyses of key organizational processes (using the NEAC authentication process as a model).

Upon completion of the assessment PDI made a presentation for the stakeholders group about the final findings and recommendations for future interventions. The intervention package was developed and approved on January 21, 2009.

For more information, please see **Success Stories** below.

NATIONAL ASSESSMENT AND EXAMINATION CENTER (NAEC) HICD

The goal of the NAEC program is to improve the overall performance of the NAEC in meeting its short- and medium-term goals of further developing and rolling out the general graduate examination, and building their organizational capacities through the introduction of management tools and techniques that would allow the institution to better cope with its expanding organizational mandate and workload, including the development of clear job descriptions, a performance system, and professional development mechanisms for staff.

The performance assessment of NAEC (carried out in two phases) was conducted by the performance assessment team from the performance improvement consultancy firm, Performance Design International (PDI), and the Category I FORECAST IQC local Partner, Center for Training and Consultancy (CTC).

During the first phase of the assessment that had been postponed due to the conflict (and did not begin until October 27) the performance assessment team conducted the following activities: mapping exercises and key process analyses of the organization as well as meeting/interviews with stakeholders and key players. For the second phase of the performance assessment (November 24-28) in-depth analyses of key organizational processes were carried out.

On December 24, 2008 PDI submitted to FORECAST the final report on the basis of which the further interventions have been identified and the intervention package developed.

Workplan Development

Azerbaijan

Per the mission's request, FORECAST/Azerbaijan formally requested and received approval of programs within the context of the FORECAST/Azerbaijan FY 2008 and FY 2009 workplan. A number of programs included in these workplans had already been approved (or approved and implemented) on an *ad hoc* basis over the course of the past year. Those programs were either included in the originally-proposed workplan but never approved as such, or added at the request of USAID throughout the year.

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

Georgia

As with the previous year, the FY 2009 FORECAST/Georgia workplan was divided into the following categories:

1. **Category I** target institutions and programs that are recommended for approval for implementation in FY 2009:
 - a. *HICD programs* - institutional assessments and performance improvement interventions;
 - b. *Partial HICD programs* - performance improvement interventions;
 - c. *Exceptional requests* – programs already approved by the mission on an exceptional basis – largely one-off training or non-HICD programming;
2. **Category II** target institutions and programs that may be recommended for implementation later in FY 09, but further information is needed for program development and/or final status determination.

The following programs were submitted for consideration (but not yet approved) by the mission on December 22nd.

CATEGORY I - Programs recommended for approval for implementation in FY 09.

1. Municipal Service Providers Association (MSPA) and Municipal Finance Officers Association (MFOA) — *Full HICD*
2. National Center for Disease Control — *Full HICD*
3. Health Insurance Mediation Service — *Partial HICD*
4. Association of TB Specialists and Pulmonologists — *Partial HICD*
5. Tbilisi State University — *Additional funding for HICD intervention package*
6. International School of Economics (ISET) — *Exceptional Request (approved)*
7. Ministry for Refugees and Accommodation (MRA) — *Exceptional Request (approved)*
8. NBG Conference — *Exceptional Request (approved)*
9. National Forensics Bureau (NFB) Real Estate Certification Program — *Exceptional Request (approved)*
10. Atlanta-Tbilisi Sister City Committee Appellate Review Training — *Exceptional Request (pending)*
11. Tbilisi Urban Planning Office, Training of Trainers — *Exceptional Request (completed)*
12. World Governmental Summit: Oil and Gas Fiscal Strategies for Governments — *Exceptional Request (approved)*

CATEGORY II - Programs that may be recommended for implementation in FY 09 pending further information:

1. Ministry of Environmental Protection and Natural Resources (MoE), Department of Forestry, Agency for Protected Areas, and Conservation Training Center — *Full HICD*
2. Sacred Architecture and Landscape Center of Georgian Orthodox Church Patriarchate — *Partial HICD*
3. Georgian Evaluation Association (GEA) — *Partial HICD*
4. Association for Protection of Landowners' Rights, Real Estate Auctioneering — *Partial HICD*
5. Association for Protection of Landowners' Rights ISO Certification — *Partial HICD*

Ongoing Programs from 2008:

1. Tbilisi State University (TSU) HICD Program
2. National Education Accreditation Center (NEAC) HICD Program
3. National Assessment and Examination Center (NAEC) HICD Program
4. Georgian Accreditation Center
5. Kipshidze Central University Hospital (TA)
6. University of Georgia Healthcare Management
7. Caucasus University Healthcare Management

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

III. LOCAL PARTNERSHIPS

Georgia

The activities undertaken by the local assessors of TSU, a consortium of three organizations (Partners Georgia, UNAG and ARC), during the reporting period include:

- review of “local” and operational approach to higher education developed;
- interviews with TSU staff as well as external stakeholders and key players in the education sector conducted;
- 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;
- three key processes/activities of TSU — academic services, students’ academic life and teaching excellence processes analyzed.

Some of those activities were conducted together with the Field of Activity Expert. Reports and other deliverables from the performance team members were sent to the international consultants as inputs for incorporation into the final report.

The activities undertaken by CTC at NEAC 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).

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

The activities undertaken by CTC at the NAEC include:

- participation in the initial meeting with NAEC director;
- conducting interviews with NAEC staff as well as primary stakeholders;
- analyzing documentation (legal documents, reports, publications);
- observing daily work at NAEC's office;
- analyzing collected data;
- drafting process maps (preparation, organization and delivery of national exams; preparation, delivery and reporting on international studies);
- reconfirming the process maps with NAEC staff;
- presentation on developing deliverable matrix;
- collecting the input for matrix from the key staff;
- contributing to the formulation of final recommendations;
- participation in the presentation of the findings to NAEC.

Azerbaijan

As was reported earlier, per a request received from USAID, FORECAST/Azerbaijan informed potential local partners 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.

IV. SUCCESS STORIES

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, Anna Mamatelashvili graduated *Magna cum Laude* with dual degrees in Math and Business Administration in June 2008. Papuna Lezhava made up credits that he did not complete during the previous four years and received his degree in Business Administration in August 2006. Alexander Metreveli, who fell sick, and did not complete the fall/winter 06/07 term, also made up time lost, and completed his studies in December 2008 with funding provided by his family. He will receive diploma in May, 2009.

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 at the Financial Supervision Agency (former Banking Supervision Department of the NBG) as an audit specialist in the Bank Documentation Department.

According to Ana Mamatelashvili:

Undergraduate fellowship granted by the USAID enabled me to pursue my undergraduate degree at AUBG.

During The first year at AUBG my English skills were considerably improved and I became familiar with western system of higher education. I took several general education courses and other required courses. As I gradually assimilated to the new environment my GPA rose significantly (from 3.3 in the first semester to 4.0 in the third). From the sophomore year I began to complete major of business administration. Courses were interesting and professors very helpful and encouraging. I began to feel free at in-class discussions while in the past I always tried to avoid public speaking. In both semesters of the

sophomore year I was included in the Dean's list. In junior and senior years I was included in the President's list as well.

*When I took courses in financial accounting and corporate finance I was sure that major of business administration was right choice for me. However, it became clear that required courses for the major were not enough and I took several math courses, which were essential for understanding finance. Math courses proved to be extremely helpful so eventually I decided to make math major as well and declared second major at the end of the junior year. On May 2008 I graduated **Magna cum Laude with two majors.***

In addition to studying at AUBG USAID program included summer internships in Georgia. I was able to work in different companies; for instance, in the first summer I was an intern in an insurance company Aldagi and summer 2007 I was accepted in PricewaterhouseCoopers. I was able to put to practice the knowledge acquired at AUBG. All three companies gave me good references. These internships helped me to gain considerable working experience and insight into Georgian business world as well as nice looking curriculum vitae.

From July 1, 2008 I was accepted in JSC Insurance Company Aldagi BCI on a position of an underwriter, which I currently hold. Considering that my only experience in insurance was that of summer internship in the same company three years before - I was having hard time in the beginning. However, broad knowledge acquired in AUBG in finance, accounting and business law, excellent English language skills, leadership skills and teamwork experience from AUBG were extremely helpful in fulfilling my tasks. Also years spent at AUBG left traces of western education and made it considerably easy to communicate with insurance industry representatives internationally - we speak the same business language.

According to Papuna Lezhava:

In 2004 I was admitted at the American University in Bulgaria (AUBG). However due to the high tuition fee I was about to give up with my dream to study at AUBG. Fortunately, thanks to the World Learning I was granted the USAID scholarship to pursue my study. After taking some general education courses during the first year of my study, I decided to earn my undergraduate degree in business administration. After years of hard work I finally graduated in August 2008.

At the final stage of my study I was doing an online independent study from Georgia in order to earn a diploma. I took opportunity and at the same time started looking for appropriate job were I could apply my education, and further develop my potential. Since I didn't yet have a diploma it was a bit hard for me to find a job in the beginning. But just about a month before graduation I started working at the Financial Supervisory Agency of Georgia (FSA) with a probation period of five months. They too hesitated employing me in the beginning, because of lack of work experience.

The agency is the authority in Georgia governing financial institutions. Luckily I was accepted as a specialist of banks' documentary supervision, the field that interested me more than any other. I always wanted to work in banking sector, but was thinking of working for commercial bank, rather than for state regulatory institution. However, now, when my country has gone through so many difficulties and when so many challenges are ahead, I feel my country can benefit from me working at FSA more than if I worked for a private company.

It didn't take me long to clear myself with the legal and administrative details I had to know in order to put my knowledge into practice. War with Russia during August put the heaviest tension on the financial system of the country. This directly affected our work load. Even though a newcomer I was equally responsible for my deeds, but knowledge gained during my four years study in Bulgaria gave me advantage,

which helped me to do my job as good as others were doing it. There were days that I had to stay in the office from 9 in the morning till midnight, and work under pressure for all this time. This regime continued for about three weeks. It gave me experience people rarely get. But what made me feel better, was that financial system of Georgia survived the war and there was my minor contribution in it. I was proud when our hard work was recognized by the head of the agency, and when our department was rewarded for it.

Time passed and little by little I started realizing that the education I gained in the American University was exactly the one I needed and wanted to have in order to work in the field I am really interested in. But the longer I work, the better I understand that there is so much more I have to learn and I'm happy I still have time for it. As soon as I feel that I gained enough experience I'll start thinking about working my master's degree out.

Probation period didn't last for five months. In few weeks I was recruited as a specialist. By the end of September, some two months past I first started working, I was promoted to be a leading specialist. This was a perfect incentive for me to start working even harder. I am aiming at becoming a senior specialist soon, which is the highest rank I can have at the agency before the head of the department.

I think the Financial Supervisory Agency is the best place I could find in Georgia to work. This is the place where I can in the best way apply my knowledge, where I can learn much more (mainly from the people I work with), and where I can get the most interesting experience. I'm happy with where I am right now, but I am striving for more.

I can not conclude without underlining USAID's contribution that lead my path of life. I am happy that I can proudly say – I am approving expectations of people who thought I could do some good. I hope and believe that what I have done so far is only a drop in the ocean, and that there will be much more to achieve. Sooner or later I will prove that by funding my study USAID helped not only me, but also my country.

ACADEMIC MEDIA STUDY TOUR

In June, 2008 the deans from a number of Georgian Universities/Institutes participated in the Academic Media Study Tour program organized by FORECAST at the request of USAID.

Within the framework of this 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.

The following are short reports sent to FORECAST by the participants:

According to Maia Mikashavidze, Dean of Caucasus School of Journalism and Media Management, Georgian Institute of Public Affairs:

The biggest innovation at the Caucasus School of Journalism and Media Management (CSJMM) was streamlining school curricula and student media operation to fit the age of new media.

All universities that participants visited stressed that new technologies affect the way media develops in the 21st century, and presents new challenges to media educators. US educators noted that simple approaches like an introduction of an online course here or teaching web reporting there, would not be enough. What is needed is the complete overhaul of the instructional process and curricula, starting from communication with students (web-based communication) to curricula (all courses have elements stemming from the development of new media) and to student media operations.

To respond to the challenge, CSJMM organized a faculty retreat in September and developed suggestions for changes in curricula, administrative practices and student media operations.

Curricula

CSJMM decided to change most of the core courses to incorporate elements of new media. The first such change was made to the core course in Reporting and Writing, a founding class in journalism skills, which became a web-based instruction. In this class, students learn reporting, research, interviewing, fact verification, basic writing skills plus online publishing. Stories generated in the class are posted on individual and group weblogs. For example, stories by students in the 1st year (Georgian-language master's in journalism program) are posted at <http://blog.gipa.ge>. For stories by the students in the English-language program, go to students' blogs: <http://iagavasheli.wordpress.com/>, <http://tami20.wordpress.com/>, <http://pxacho.wordpress.com/>, <http://marinnka.wordpress.com/>, <http://ketevan22.wordpress.com/>, <http://radiobedniereba.wordpress.com/>, <http://ketiebanoidze.wordpress.com/>, <http://kasrika.wordpress.com/>, <http://sakos.wordpress.com/>, <http://pisoo.wordpress.com/>, http://natalie5n.wordpress.com

The students are encouraged to submit not only print stories but also photos, slide shows, graphs and other visual materials, stressing the importance of multimedia storytelling.

Reporting and Writing runs as a "boot camp". This is another innovation inspired by the World Learning tour. "Boot camp" is an intensive, training-type class, which is held in the beginning of studies to facilitate speedy accumulation of skills. CSJMM "boot camp" – which is loosely based on the "boot camp" run by the University of Maryland – runs four weeks, from 10am to 6pm daily. It includes half-day lecturing and discussions with the rest of the day for assignment reporting, writing, formatting stories and publishing on the web.

In this new academic year, CSJMM has held three "boot camps". Some 35 Georgian students took the class with Ana Keshelashvili, CSJMM's associate professor and webmedia professional.

The third "boot camp", in Reporting and Writing II, is running now with experienced American reporter, Margie Freaney. The class is attended by 20 Georgian, Azerbaijani and Armenian students in English-language, international master's degree program. Instructor now has a blog page, and posts regular communications with students on this page. In addition, certain other instructional material is posted on the blog on separate pages. Students are notified by e-mail when a new blog is posted.

Another web-age innovation is an online class which will run side-by-side with traditional, classroom-based instruction. The first such class will be held in February. This "International Reporting" class will be taught by Washington-based CSJMM's graduate, Eka Gurgenidze.

Student Media

CSJMM has changed approach to its students media operations. The school commissioned a website for its Radio GIPA, which will be an umbrella multimedia site for all student-generated radio, print, photo and TV reports. The site will be operational starting March 2009. This fits the overall trend to encourage multimedia journalism.

New program in Public Relations

Some ideas from the Virginia Commonwealth University's public relations program were used for the new master's in public relations program to start in March 2009. In the program, the students will learn to formulate and implement communication strategies through various types of media. The experience, whereby the Virginia Commonwealth maintains close ties with the PR and advertising industry and has a good measure of the job market, has inspired CSJMM to hold series of announcements of the new program among industry professionals.

According to Natia Kaladze, Dean of the School of Journalism and Mass Communications, University of Georgia:

Participation in Media Study Tour helped me a lot in different ways in the process of journalism school development. By participating in the program I have established new professional contacts and networks with American journalism schools, which is probably the best in the world. Also I understand the new media demands in the modern society.

Back home I made some major changes in the curriculum of the undergraduate program of Journalism. Based on American universities/institutions experience and knowledge I developed new undergraduate program in Public Relations. From September, 2009 the program starts.

From September 2008, I started to conduct trainings for faculty members and established academic excellence center in teaching. Now, the school trains lecturers twice per year in the beginning of spring and fall semesters. Also I established academic excellence for students, where they can come and get consultations from their lecturers out of the class hours on different courses. I elaborated the lecturers evaluation form, that helps us to see better grey and/or white areas of teaching or relations between students and lecturers. I made some changes in the teaching methodology and class management. We work on faculty development issues and encourage them to do more research. And help them to divide their work time on teaching 40%, research 40% and 20% on community service. We start to translate English language textbooks into Georgian.

I developed new media courses, which help students to succeed in the converging media environment. The school encouraged students to establish Journalism Club, where they would be able to involve journalism students from different universities (especially students from those universities, which have lack of modern technical equipment for studying) and the club chaired and administered by students. I understood that students need to receive good knowledge in subjects beyond the journalism and I added more courses as electives. Now the program is more flexible and students can choose in what area they are interested more.

Shortly before the visit of the United States universities, we opened UG TV Studio, the campus TV. During the trip I studied a lot how it should work and how assign students to work for TV and what kind of technical equipment we need. Back home, I changed a lot in the management of studio. Now, we have reporting room with necessary computers and programs, we bought new cameras and other necessary equipments for effective working. And now, students have a chance to work more actively and effectively. I

learnt that it is very important in the modern world to teach multimedia reporting, so we strongly work in this direction. And from this month we launched Website www.msug.ge, where students can post their stories (video, audio and photo). So we decide to post our students newspaper "Observer" on this site. We are planning to establish internet radio until the end of this year. We passed first stage: we elaborate working plan and list of equipment, now we are looking for some sources of funds on base of co-financing either in private or in public sector.

I learnt how to manage Public Relations program. I changed some teaching method of course. We added more practical assignments for students. We establish PR and Ads center, where graduates students can work with real clients on branding, promotion and etc. Now, the center has its own working office, where students can spend their time. Also, we establish PR support group and every students of university can participate.

I changed curriculum of the graduate programs in Media Management and Public Affairs Journalism. In case of Media Management, the school of Journalism and Mass Communications collaborates with the School of Business and Economics. Students have some joined courses and finally will get MBA degree in Media Management. Public Affairs Journalism program joined the Governance program and part of courses they have together.

From the trip I learnt that it is not good to rely only on the student media and students need more open perspectives. In order to achieve it, the school signed memorandums of understanding with various media organizations, according of which the students will have internships, workshops and trainings in those organizations. I involved more media organization into the teaching process and brought more active journalists to the school. And more field trip to students.

Currently, I am working on international collaboration with Journalism Schools abroad and how to get through international accreditation.

According to Lia Chakunashvili, Dean of the Caucasus School of Media, Caucasus University:

Curricula

I was impressed to see how closely different departments/schools at US universities cooperate and how they benefit from each other's resources.

I was surprised to learn that every student in undergraduate program, in any of the universities we visited, who majors in journalism, has to minor or even major (double majors at NYU School of Journalism) in other area of their interest. I am now revising curricula to allow students of Caucasus School of Media to earn 60 ECTS credits out of 240 ECTS credits required for graduation at the other schools of Caucasus University. In the beginning, students of Caucasus School of Media will be able to minor in European Studies, offered by Caucasus School of Humanities, and in International Relations, offered by Caucasus School of Governance. I am also designing one 60 ECTS credit module in journalism and another 60 ECTS credit module in Public Relations, to allow students of other schools of Caucasus University to minor at Caucasus School of Media in these areas. We will launch a pilot program from September 2009.

I have shared information about Advertising sequence at the Virginia Commonwealth University with the Dean of Caucasus School of Business, who is Professor of Marketing. We agreed that in our case the best approach would be to join resources of Business and Media Schools and offer an interdisciplinary graduate program in Advertising. We have not designed curricula yet, but the program is on the list of our priorities.

I have developed requirements for Masters Thesis and Masters Project using similar requirements by Howard University as an example.

Internships

At all the universities we visited, internships were regarded an important part of academic process. I was surprised to learn that students are allowed to take internship in parallel to taking classes. I have developed Internship Requirements and related documentation based on the materials and practices by Virginia Commonwealth University. I have sent packages of documents to the several potential internship hosts as well as to the students for the review. When obligations of all parties involved in the internship – student intern, internship host and academic institution – are clearly defined and agreed in advance, there will be little room for misunderstandings. As a result, internship will become truly valuable experience for the students and similarly beneficial exercise for internship hosts. We will use April and May for selection process and internships will take place in June and July. However, students are encouraged to start internship earlier and continue it longer provided it will not conflict with their class schedules.

Changes in syllabuses

From September 2009, we will be using an alternative textbook by Tim Harrower, Inside Reporting, first edition, as the lead textbook in the core News Writing and Reporting class. This textbook, suggested to us by Maryland University, better explains challenges posed by convergence of newsrooms, than any of the conventional textbooks. We have tested Inside Reporting this year, using it in combination with other textbooks. Both the teacher and students liked the Tim Harrower's approach very much.

Our teacher of sociology prepared a course in Research Methods for graduate students based on the textbooks recommended to us in Howard University: Handbook on Media and Communications Research, edited by Klaus Bruhn Jensen and Mass Communication Research Methods, by Anders Hansen. Class will be taught in June and July 2009.

Our teacher of broadcast summer certificate class based her syllabus on the textbook suggested to us by Columbia University, Edward Bliss's Writing News for Broadcast.

Equipment

We will be buying portable radio and studio equipment and some of the portable video equipment this summer. While selecting equipment and software, we will follow advice we received at NYU, Howard University and Maryland University. I may need to contact them with specific questions. We planned to buy equipment for January 2009, but war in August slowed down our development too – we could not move to new building by January 2009 as we planned. We hope that we will be able to move to the new building where we have room for studios by September 2009.

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 to send a group of representatives from the nascent Municipal Service Providers Association (MSPA) and the Finance Officers Association (MFOA) to attend the **102nd Annual Government Finance Officers Association (GFOA) Conference** in Ft. Lauderdale in June 2008, 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.

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.

Upon arrival back in Tbilisi, the MSPA participants organized meeting with other MSPA board members and made a presentation on how the association can participate in ongoing reforms and promote professional development of municipal service managers at the state and local

government levels. In addition, in July, the MSPA and MFOA Executive Boards conducted their second meetings on the core sustainability issues. The Boards also mandated their respective Executive Directors to work on implementation of the Associations' first annual workplans. This was followed by the provision of office spaces for Municipal Service Providers' Association in Tbilisi and Batumi as well as allocation of membership funds in local budget that made possible for associations to operate.

Additionally, in October-November, the MSPA and MFOA implemented two contracts together with the Urban Institute: (1) to conduct the "Preliminary Assessment of Assistance Needed by Municipal Governments as a Result of the Conflict" in 13 municipalities affected by the August conflict, and (2) to assist Senaki, Mtskheta and Gori municipalities (among others) to commence their municipal service planning processes for FY2009.

NATIONAL EDUCATION ACCREDITATION CENTER (NEAC) HICD

As a direct result of the performance assessment, the NEAC implemented the following performance improvement activities (without further external assistance, and prior to the intervention phase having been approved or implementation begun):

1. Re-design of the *Authentication Process* - though due to legal issues that still need clarification, not all the suggestions are implemented so far. *Results: Cost for more than 5,000 transactions down by 15%, through-put time for transaction down 30%, direct processing time down 5%. More than an hour of management time per week has been set free for more important activities.*
2. NEAC adopted the policy to bring work processes down to the lowest possible institutional level to free up management time. This has been implemented in the mobility process, the voucher administration process and the student and academic personnel registration process. *Results: Managers are in charge of more complex cases/issues, while coordinators are responsible for standard processes. This gives them an opportunity to work more independently making the work process easier as well as speeding up work flow.*
3. Appointment of a liaison to the *European Network of Information Centers* and the *National Academic Recognition Centers* to systematically obtain and exchange know-how. *Results: Faster transfer of international know-how into the NEAC which enables self-driven continuous improvement towards international standards.*
4. Appointment of a fundraising office within the NEAC. *Results: NEAC systematically considers funding opportunities to improve its operations and professionalize its staff.*

The following improvements (outlined in the assessment report) were immediately recognized by NEAC. NEAC has begun taking certain steps in these directions; however, areas for the improvement will be further addressed in the framework of the TA intervention support as well.

1. Development of forms, templates and standard text modules that speed up work. *Results: Faster work, higher quality and less re-work due to fewer mistakes; increased employee satisfaction and motivation because work is standardized and relatively straightforward.*
2. Transfer of "process thinking" to other areas in the organizations. NEAC started to document the Mobility and the Voucher Administration processes. This means NEAC sees the benefits of taking a more structured approach towards work flow including the advantages of standardization, etc. *Results: Faster work, higher quality and less re-work due to*

fewer mistakes; higher levels of efficiency and employee satisfaction.

TBILISI STATE UNIVERSITY (TSU) HICD

As an immediate result of the assessment, TSU has conducted the following activities:

1. Strategic Planning and Monitoring officer appointed to lead the (ongoing) strategic planning process, oversee the implementation of the specific objectives through the development of action plans, monitoring the performance results, and working closely with stakeholders. *Results: Promotion of strategic vision and day-to-day activities throughout the institution, and advance the overall process of strategy plan implementation; detailed action plans are monitored and evaluated, progress is regularly assessed; key stakeholders actively involved informed.*
2. Planning for fundraising and alumni office begun (as an integrated structural unit at TSU). Required human and finance resources will also be allocated and included in the budget. *Results: valuable funding source will be created; public activities initiated by the Alumni office contribute to the image of TSU; good basis for creating Development Foundation at TSU for building research capacities.*

NATIONAL BANK OF GEORGIA/HR DEPARTMENT

As a direct result of the technical assistance at the National Bank of Georgia (NBG), the NBG HR Policy Manual has been developed (in English and Georgian versions). The manual includes detailed and comprehensive HR policies, procedures, and forms that are designed in accordance with the requirements established by legislation, as well as practical day-to-day management and operations.

The following issues are covered by the manual (please forgive the technical jargon):

- Job analysis;
- Personnel and work repertory grid (management “differentiation” tool) ;
- Critical incident technique (tool for measuring variables that effect job performance outcomes);
- Visionary interview (tools for senior managers that explore the links between organizational objectives, values and culture, and the behavior of managers within the organization);
- Meaning, structure, drawing-up, coordination and approval of job descriptions;
- Structure of job description;
- Recruitment, hiring, dismissal, career development;
- Attracting and recruiting personnel;
- Employment announcements;
- Employment competitions;
- Hiring and dismissal;
- Career development;
- Organizational culture and employee adaptation;
- Performance appraisal;
- Management by objectives (MBO);
- 360° appraisal;
- Self assessment;
- Job evaluation;
- Job classification;

- Role inventory;
- Job categories;
- Job category definitions;
- Salary structure.

In addition, a draft of the organizational HR matrix was designed during the TA. This matrix is based on job evaluation process, which includes grouping different jobs into job families, and classifying them according to the level of responsibility and functionality.

GEORGIAN ACCREDITATION CENTER

Since commencing cooperation with FORECAST, the GAC has conducted the following activities without external assistance:

- Accredited a pharmaceutical company (according to EA guidelines) in lab standards (ISO 17025) in preparation for eventual recognition once GAC is itself recognized internationally (the goal FORECAST is currently contributing to);
- Commenced development of an accreditation body *Quality Manual* for use by applicants for conformity assessments;
- Adopted international standards for process and facility assessments; and
- Began the intensive application process for EA recognition (an objective that will be addressed through the upcoming FORECAST TA).

Azerbaijan

Masters Degree Program on Public Administration (MPA) and Public Health (MPH)

This academic training program was commenced under START, the predecessor project of FORECAST, in 2005. Within the scope of this program, three students were awarded scholarships to study for their Master's degrees at US universities.

Mr. Rufat Mahmud has successfully completed his Masters Degree in Public Administration with the Maxwell School of Citizenship and Public Affairs at Syracuse (with a GPA of 3.4) and had internship in the World Bank in Washington, DC. Upon returning to Azerbaijan, Mr. Mahmud was appointed as a Head of Department of Foreign Economic Relations in the Ministry of Economic Development.

According to Rufat Mahmud:

“After getting the Master degree from Khazar University with major in international affairs I worked in a private company. However I aspired to work in a government agency in the field of diplomacy or international relations. In 2001, I learned about vacancies in the Ministry of Economic Development. I applied and passed job interviews and was accepted to advisor position in the Investment and International Relations Department but then was advanced to higher positions, senior advisor and sector head. Majority of staff working in the department were young people who were enthusiastic about doing the work and making positive changes. I strongly felt though that I lacked proper knowledge and experience to introduce and apply innovations particularly in administration matters. My vision was focused on applying better management model and fostering more productive work environment. It covered all aspects of administration including paperwork and its approval process, bookkeeping, structural matters and etc.

To achieve self-improvement in those fields I presumed that education abroad in public administration specialty would be the most favorable way and for the reason I applied to Edmund Musky Program in

2004. The competition was tough and even though I was on alternative finalist list I did not manage to get the scholarship. I did not give up though and applied to USAID funded Masters Degree Program in 2005, where was more chancy and got the scholarship within this program. My Alma Mater turned out to be Syracuse University with Maxwell School of Citizenship and Public Affairs top rated in MPA. The program of Executive Master in Public Administration I was admitted on was for academic years of 2006-2007. This school exactly met my needs in learning public administration mostly due to excellent level of knowledge and experience among professors as well as longstanding traditions of the school.

I studied the principles of US public governance and administration, focused on public budgeting and financial systems. I also scrutinized closely reforms of government systems in the U.S. and other countries and developed case studies with regard to Azerbaijan. Moreover, I received certificate on leadership in international organizations. During six months (July-December 2007) I worked as a short-term consultant in the World Bank in Washington DC in the macroeconomic unit responsible for countries in Eastern Europe and Central Asia. My primary responsibilities were to analyze recent public investment policies in Azerbaijan and write a background paper for the Country Economic Memorandum. I was involved in different researches carried out in several countries of the region. These researches were focused on Productivity Growth, Tax Policy, and Impediments for the Private Sector Development. I have studied pension funds in various countries, developed recommendations on pension fund for Azerbaijan, made comparative analysis of public investment cost effectiveness of several countries, conducted business environment survey. All this time while in the US I was keeping my position being the sector head. After returning back, I was promoted to the position of the Head of Foreign Economic Relations Department.

In general, main goal of the department is to formulate and coordinate country's foreign economic policies. We coordinate bilateral and multilateral economic relations and work closely in planning, negotiating and implementing projects with international institutions such as WB, IFC, EBRD, ADB, GUAM, UN and etc. So far, the knowledge and skills that I received in the U.S. helped me significantly to do my job effectively both in advancing internal administrative procedures and functional work areas. I have 26 staff members in my department and I work to gradually increase efficiency level in internal communication, information sharing, improve staff motivation, arrange regular professional development programs as well as advance internal office work. When working and discussing infrastructure and other type of projects with international organizations and our government leadership I use the knowledge and experience I received in the U.S. so that those projects follow progressive models I learned. Our department did contribution in coordination of work on economic reforms which was reflected in IFC's annual Doing Business Report where Azerbaijan was acknowledged as top reformer.

I am proud of the fact that I was among first people in the Ministry studied abroad, which became a good sample and motivated others to follow the path. Now we have at least 10 young people who already completed or will soon complete education in U.S., or other countries. I know that our country will continue economic reforms and I am very interested and will do my best to contribute to this very important process”

Mr. Fuad Ibrahimov successfully completed his Masters Degree at the Emory University Rollins School of Public Health (with a GPA of 3.95), including a full-time internship at the International Medical Corps, in Baku. Upon returning to Baku Fuad took a position of Health Care Finance Officer at Abt Associates, a USAID partner agency.

According to Fuad Ibrahimov:

“After graduating from Azerbaijan State Medical University with major in a pediatrics surgery, I had no job offers by my specialty. Time passed and I happened to find a position with “Doctors without Borders”, an international humanitarian organization. The more I worked there the more interested, engaged and involved I became in public health policy field. In 2005, I started working as Health Finance Specialist for International Medical Corps (IMC) project on Primary Healthcare Strengthening (phase 1). The project worked in the sphere of public health policy, and a need for further knowledge and skills on the subject to make my job outcomes noteworthy and valuable was obvious. Unfortunately, there was no university of

Azerbaijan that would provide a degree either in primary health care policy, economics, funding systems or biostatistics. Getting a degree abroad was the way out. Luckily USAID's START project started soliciting nominations for the potential candidates to get Master's Degree in a US university and I was one of three participants who received such an opportunity. I was accepted by Emory University Rollins School of Public Health to Public Health faculty for AY 2006-2008. Studying in the US was a great experience for me. The quality of education was outstanding, there were across-the country-known professors giving lectures. The systems of education in Azerbaijan and US differ greatly, and the most significant advantage of the later over the first one is that by consuming less energy you can get more information. I had an access to any possible literature, medical journals, science researches etc. During the summer 2007, I had an internship, which was a part of my scholarship program, in Baku with the health project with IMC funded by USAID. I was involved in the health care costing study conducted by the project and worked with the several international consultants on this assignment. I found this practicum a very valuable experience. Coming back home upon completing of my degree I was equipped with a baggage of knowledge and confidence that my two years of studies were not wasted and that I can contribute to the development of my home country. It was not right away after my return when I was offered a position of Health Finance Program Manager with Abt Associates' Primary Healthcare Strengthening project (phase 2). Basically this is the same USAID project that used to be implemented by IMC, which was previously closed down. This was a promotion comparing to the position I held before departing to the US. My responsibilities expanded, I became a trustworthy decision maker, with no expat supervision. The project assists the government bodies, especially the Ministry of Health, to make changes in the existing situation at the public healthcare sector in Azerbaijan, by introduction of new health care financing mechanisms that will provide right incentives for health providers to deliver better and high quality care and other. As a person who obtained a broader perspective on these issues and studied the best international experience and lessons learnt in this field, make me believe that I, personally, can make a significant contribution towards achieving the goals established for these reforms. Unfortunately, the project is due in 2010, but I hope that a similar one will be launched since its support is critical for the further development of Azerbaijan's public health sector. Still my future professional and educational plans are not clear, after the closure of the project I will be looking for a job in the same sector. At the same time, I am a member of Assistance to Healthcare Development (AHD), which is a local non-governmental, nonprofit organization dedicated to building the capacity of people, communities and institutions to help them meet their specific development goals through research, technical assistance and training. AHD was founded by a group of Azerbaijani physicians in 2004 as a result of the growing need for qualified non-governmental organizations in the field of social policy and welfare. At the end I would like to add that I'm very grateful for the opportunity to participate in this scholarship program."

V. CHALLENGES AND CONSTRAINTS

Georgia

Program Challenges

1. The National Bank of Georgia Conference (approved on October 27, 2008) was initially scheduled for January 22-24, 2009. However, due to the fact that the NBG failed to engage the keynote speakers, the conference dates were postponed several times. The future of the program is still unclear.
2. Due to the changes in the leadership of the Ministry of Refugees and Accommodation (MRA) the beginning of the program was postponed. With the (re)appointment of Minister Subeliani, the ministry decided to conduct a strategic planning for their near-term activities. As a result FORECAST had to develop/revise the SoW for the program.

Azerbaijan

Closure of FORECAST/Azerbaijan

In September 2008, USAID informed FORECAST/Caucasus that the work of FORECAST Azerbaijan must be completed by January 31, 2009. FORECAST was therefore requested to submit, 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 for completion of Azerbaijan activities, and allow the CoP to operate the Georgia program only from that date onward.

Cancellation of Programs

The Study Tour for National Council for Radio and Television (NTRC) was cancelled by USAID. The decision to cancel the program was made because of NTRC's decision not to renew the broadcasting licenses for Radio Liberty, BBC and Voice of America in Azerbaijan.

The Study Tour on U.S. Unified Customs and Border Control program was also cancelled due to technical reasons, as informed by USAID/Azerbaijan.

VI. 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. FoF is 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.

Teachers' Challenges Regarding Students with AD/HD

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 workshop 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. However, due to the outbreak of hostilities in the country at the beginning of August 2008 the start date of the project was delayed from August to September. The activities will be completed by the end of February 2009.

Currently the project team is working on the development of the second brochure *AD/HD and School* (the first one has already been approved by USAID). Both brochures will be published and distributed among teachers, parents and organizations working on disability issues.

www.mediaeducation.ge, *News, Information and Educational Resource Website on Media for Students, Teachers and Professionals*

In December 2008, representatives of the Georgian Institute of Public Affairs (GIPA) and the Caucasus School of Business (CSB) submitted a request for FoF to FORECAST. The concept paper was subsequently approved by the Mission in January. FORECAST has requested the applicants to develop the application form in order to obtain further approval from USAID.

The goal of the project is to establish [mediaeducation.ge](http://www.mediaeducation.ge), news, information, advisory and training forum for journalism and media students, teachers and professionals in Tbilisi, Georgia. [mediaeducation.ge](http://www.mediaeducation.ge) will carry information about: academic and training programs in the field of journalism, media management, public relations and communication, as well as creative media programs announced by Georgian universities and training organizations; international media education opportunities abroad; loans and fellowships, internships and jobs; competitions available to the citizens of Georgia. The project will collect officially-released information and will provide in-depth descriptions of academic and training programs, interviews with education administrators and program participants, video footage and audios of important press-conferences and sites. The website will have an expert blog explaining media education and employment trends, program requirements, legislation and other relevant issues.

The total budget amount of the project will be USD 9,997.27. The timeframe of the project is February – August 2009.

VII. 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:

- American Bar Association Rule of Law Initiative — to send 13 participants to the *Magistrate Judges Study Visit* in Massachusetts, Rhode Island from October 24 to November 4, 2008;

- Muscatine Community College — to send three representatives of Gori State University to the *Establishment of the First Georgian Community College* program in Muscatine IA, November 4 – 22, 2008;
- National Association of Regulatory Commission (NARUC) — to send five representatives of the Georgian National Energy and Water Supply Regulatory Commission to *NARUC Partnership* program in Montpelier, Vermont, December 19-21, 2008;
- Advanced Engineering Associates International, Inc. — to send two representatives of Georgian National Energy and Water Supply Regulatory Commission to *PURC/World Bank International Training* held in Gainesville, Florida. Program dates: January 9-26, 2009;
- Georgia State University, Institute of International Business — to send two participants to Atlanta, Georgia for the *Establishment of a PhD* program in Business Administration at Caucasus University in Tbilisi, Georgia. The program commenced on January 2, 2009 and will end on June 3, 2009.

The total number of participants processed under Participant Processing Services for the reporting period was 15 male and 10 female.

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

- Bank World, Inc. Financial Sector Stability Program – to send one representative of the National Bank of Azerbaijan to *US Economy: Interpreting the Indicators* workshop held in New York, NY, on October 27 – 31, 2008.
- Counterpart, Civil Society Project – to send one representative from Milli Mejlis, two representatives from Presidential Apparatus and one representative from Counterpart to *Public Financing and Government-NGO Partnership Study Tour* held in Seattle, WA, on November 30 – December 7, 2008

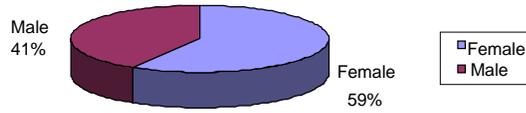
The total number of participants processed under Participant Processing Services for the reporting period was 5 male.

IX. 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.

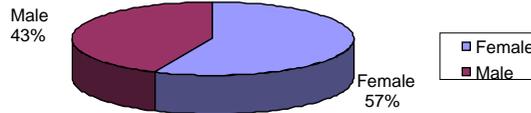
During the reporting period **FORECAST/Georgia** processed 470 participants, out of whom 276 were female (59%) and 194 male (41%).

FORECAST/Georgia pax processed during the reporting period



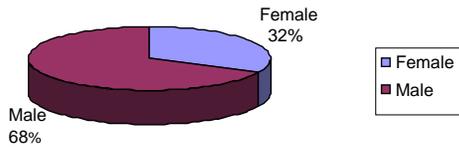
The total number of the participants to date is 619, of whom 351 (57%) were female and 268 male (43%).

FORECAST/Georgia pax to date



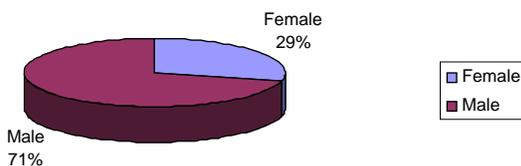
During the reporting period, **FORECAST/Azerbaijan** processed 87 participants, out of whom 28 were female (32%) and 59 male (68%).

FORECAST/Azerbaijan pax processed during the reporting period



The total number of the participants to date is 278, of whom 80 (28.8%) were female and 198 male (71.2%).

FORECAST/Azerbaijan pax to date



X. 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, neither **FORECAST/Georgia** nor **FORECAST/Azerbaijan** procured services from any MSIs or HBCUs.

XI ADMINISTRATIVE OVERVIEW

Georgia

Procurement

No items were purchased during the reporting period.

Health Insurance

World Learning has extended the contract with the health insurance company Aldagi-BCI in order to provide health insurance for World Learning local staff. However, due to the fact that the prices for the medical service increased the insurance premium for World Learning staff and one dependent grew up from USD 57 to USD 75 per month.

TraiNet Reporting

FORECAST continues to collect and report TraiNet data on behalf of all USAID partners. USAID partner organizations provide WL with the information about the TC and IC Trainings using the special form designed by WL/Georgia. During the reporting period 11 partner organizations out of 35 responded. There were 26 programs in total: 20 ICT and 6 TCT. The total number of participants was 756, of whom 591 (78%) were female and 165 (22%) male.

Operational Manual

The FORECAST/Caucasus Operations Manual was developed at the start of the Task Order in September 2007, and approved by the CTO in December 2007. 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.

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.

On November 24, 2008 FORECAST received comments on the website design from USAID, Washington and is currently in the process of updating the website's design and content according to the received comments. Unfortunately, the local providers (webmasters) with whom FORECAST has consulted do not know how to comply with a number of the more complicated requirements.

Azerbaijan

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. During the reporting period 8 partner organizations out of 17 responded. There were 25 programs in total: 23 ICT and 2 TCT. The total number of participants was 1052, of whom 499 were female (47.4%) and 553 male (52.6%).

Equipment disposition

In September 2008, an Action Memo regarding disposition of the property and equipment purchased with USAID funds under the START activity and transferred to FORECAST in August 2007 was approved. In October 2008, equipment and furniture was transferred to four local NGOs: Praxis (Agdam and Fizuli regional branches), Rifah (Agjabedi region), Intibah (Barda region), Ahillar (Sheki region).

Due to the announced closure of the project, WL/Azerbaijan has prepared a disposition plan for the remaining FORECAST property and equipment. Following discussions on preferred recipient partners, the action memo was submitted to USAID in January 2008.