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EVALUATION

Performance Evaluation of the USAID/Georgia Municipal Infrastructure Project (GMIP)

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Performance Evaluation of the USAID/Georgia Municipal Infrastructure Project (GMIP)

Final Evaluation Report

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USAID/Georgia

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ACRONYMS

ADA	Americans with Disabilities Act
CM	Construction Management
COR	Contracting Officer Representative (USAID)
DRC	Danish Refugee Council
EHS	Environmental Health and Safety
ET	Evaluation Team
EU	European Union
FGD	Focus Group Discussion
GEL	Georgian Lari (currency)
GMIP	Georgia Municipal Improvement Program (USAID)
GoG	Government of Georgia
IDP	Internally Displaced Person
DHP	Durable Housing Project
JV	Joint Venture
KII	Key Informant Interview
ME&A	Mendez England & Associates
MDF	Municipal Development Fund
MIP	Municipal Infrastructure Project
MRA	Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia
NEO	New Economic Opportunities Program (USAID)
PPE	Personal protection equipment
QA/QC	Quality assurance / quality control
SOW	Scope of Work
TOR	Terms of Reference
TT	TetraTech
USAID	United States Agency for International Development
VE	Value Engineering
WB	The World Bank

EXECUTIVE SUMMARY

EVALUATION PURPOSE AND EVALUATION QUESTIONS

This is a report on the Performance Evaluation of the Georgia Municipal Infrastructure Program (GMIP), which consists of two components: the Municipal Infrastructure Project (MIP) and the Internally Displaced Persons Durable Housing Project (IDP DHP). GMIP was funded by the United States Agency for International Development (USAID) Mission in Georgia and is implemented by the Municipal Development Fund (MDF) between June 2011 and December 2014. Project oversight is provided by Tetra Tech (TT). The total value of the projects is $17,730,500 for MIP and $34,379,532 for IDP DHP.

The evaluation of GMIP was conducted during the period September – October 2014, by a team assembled by Mendez, England & Associates (ME&A) of Bethesda, Maryland. The team consisted of international and local specialists with experience in the areas of infrastructure improvements, impact of development projects, and institutional capacity building.

According to the Statement of Work (SOW) for this assignment, the main goal of the evaluation was to provide USAID with an external assessment of the: 1) achievements of MDF in the implementation of the MIP and IDP DHP programs to date; 2) extent to which the project management capacity of MDF has been increased; and 3) quality of the rehabilitated infrastructure.

As outlined in the SOW, the three key evaluation questions were:

1. What are the achievements of the MIP and IDP DHP projects measured against the expectations of the assistance agreement and the quality of the completed infrastructure projects?
2. To what extent did USAID increase the capacity of MDF to design, plan, procure, and manage contracts and implement infrastructure projects?
3. What are the broad key lessons learned that can inform future designs on how best to develop the capacity of host government procurement systems?

PROGRAM BACKGROUND

GMIP was conceived by USAID as a three-year program targeted at rehabilitating selected infrastructure (roads and irrigation projects) in areas impacted by the 1992 and 2008 conflicts with Russia, and at improving housing for IDPs affected and displaced by those conflicts.

The projects were funded by USAID on behalf of the Government of Georgia (GoG) via Implementation Letters 3 and 4, both dated February 18, 2011, and subsequently amended to extend the project completion dates to December 31, 2015.

Implementation Letter 3

Implementation Letter 3 provided to MDF a USAID grant of $17.7 million to "develop and/or repair critical infrastructure." The MIP project described in Implementation Letter 3 consisted of two components:

- Component 1: Rehabilitation of municipal infrastructure, including rehabilitation of roads in Mtskheta, Dusheti, Gori, Kareli, and Oni.
- Component 2: Rehabilitation of irrigation canals, including rehabilitation of irrigation works (canals, sluice gates and structures) in Gori and Oni.

Implementation Letter 3 called for completion of the project by December 31, 2013, though this letter was amended to extend the project through December 31, 2015.

Implementation Letter 4

Implementation Letter 4 provided to MDF a USAID grant of $34.7 million to "provide upgrades for nearly 4,000 houses constructed by the Government of Georgia after the August 2008 war," and to rehabilitate collective centers and other buildings "consistent with the Government of Georgia's interest in improving the overall living conditions of IDPs" as described below:

- Component 1: Water and sewerage upgrades to up to 4,000 cottages in the Mtskheta-Mtianeti and Shida Kartli Regions. New bathroom structures were constructed adjacent to the cottages, as the cottages could not be readily expanded.
- Component 2: Rehabilitation of unoccupied buildings provided by Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia (MRA) and the construction of IDP apartments within the buildings.

Implementation Letter 4 called for completion of the project by December 31, 2013, though this letter was amended to extend the project through December 31, 2015.

Tetra Tech Oversight

The projects were managed by USAID, and the MDF, as the representative of the GoG. USAID hired a US Professional Services Contractor (USPSC) engineer to serve as project manager for the MIP project. He was assisted by two Georgian USAID engineering staff members.

TT, a US-based engineering firm, was contracted directly by USAID to provide engineering oversight and quality control to ensure that: 1) infrastructure deliverables were effective, efficient and sustainable; and 2) implementation was carried out within allowable budgets, restraints, and accepted quality standards.

EVALUATION METHODOLOGY

The evaluation design matrix used in the evaluation is shown in Annex 2. The matrix focuses on the key questions that were addressed in the evaluation, as well as the sources of information and data collection and analysis techniques used to answer those questions.

The evaluation applied a mixed-methods approach that consisted of:

- **Review of project materials** related to MIP including the USAID-GoG Assistance Agreement, Implementation Letters, 2011 TT Rapid Appraisal Report, TT Gap Analysis, USAID Project Selection Memo, Environmental Health and Safety (EHS) reports on ongoing projects, and Project Reports, among other sources.
- **Discussions/presentations with key participants** including USAID, TT, Danish Refuge Council (DRC), and MDF.
- **Field visits** to view project facilities in Mtskheta, Dusheti, Zestaponi, Kutaisi, Tskaltubo, Oni, Gori, and Karbi.
- **Focus group discussions** (FGDs) with 80 project beneficiaries and non-beneficiaries throughout the project area.
- **Key informant interviews (KIIs),** including open-ended and semi-structured interviews with USAID; TT; Voyants, Saunders Bets joint venture (JV); MDF officials; and MRA officials. Informal interviews were held during site visits with direct project beneficiaries, indirect beneficiaries, beneficiaries of other aid, and citizens who received no benefits from any aid. The list of KIs is shown in Annex 3. The questionnaires for USAID, MDF, contractors, and government officials, are shown in Annex 4.
- **Mini-survey** was conducted to expand on the views and experiences of key target groups: IDPs and rural communities. The mini-survey was conducted by IRMS, a local Georgian firm. The questionnaire for the mini-survey is shown in Annex 5.

EVALUATION LIMITATIONS

There are several limitations inherent to the design of this evaluation.

- **Selection bias**. As some KIs declined to be interviewed, there was a possibility of selection bias, i.e. those respondents who chose to be interviewed might differ from those who did not in terms of their attitudes and perceptions, affiliation with government/non-government structures, and socio-demographic characteristics and experience.
- **Limited time and resources**. The time allowed for this evaluation, which includes two large projects, was limited. This might have affected the quantity of data collected.

While important, the above limitations did not prevent the Evaluation Team (ET) from gathering the information and data needed to draw conclusions and make recommendations for similar USAID-funded projects in the future.

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Overall, the ET found the scope of the MIP and IDP DHP projects to be more comprehensive and focused on the quality of life of IDPs than similar past projects funded by the European Union (EU), the World Bank (WB) or GoG. This overall finding is supported by the following:

Evaluation Question 1: *What are the achievements of the MIP and IDP DHP projects measures against the expectations of the assistance agreement and the quality of the completed infrastructure projects?*

Findings

MIP

1. MIP has provided upgrades and improvements to 31 existing streets and roads, totaling over 25 kilometers. These upgrades appear to be properly designed and executed in accordance with international standards.
2. During FGDs with 80 participants, 19% revealed that the travel time has been reduced to access markets and employment, and 24% stated that the improved roads have made the local hospital more accessible in a shorter time.

IDP DHP Housing

1. The IDP DHP units were designed in accordance with international standards. The initial emphasis on speed of implementation was laudable, given the poor living conditions of the IDPs. However, this emphasis resulted in some design issues, which were not identified early in the project, including:
    a. Structural issues in some buildings and even remediation of medical waste remaining in a former hospital before rehabilitation could begin. These issues delayed implementation.
    b. Uncorrected drainage issues, as observed by the ET, in a number of the collection centers.
    c. Low water pressure in four to five cottage settlements in WB-designed distribution systems, leading to poor operation in the constructed plumbing system, specifically hot water heaters.

    However, it should be noted that these issues can still be corrected within the remaining project life.

2. Almost all IDPs interviewed in Kutaisi and Tskaltubo, and that were given new apartments via the IDP DHP project, expressed gratitude and were very satisfied with their current living conditions. According to the ET's observations during site visits, as well as interviews and FGDs with residents of apartments from all funding sources, the apartments provided by the IDP DHP

program are clearly superior to the apartments provided by other donors and by GoG because they provide access to utilities (water, sewer and natural gas); gas cookers and heat; the Americans with Disabilities Act (ADA)-compliant ramps; and other features.

3. The ET is of opinion that the apartments rehabilitated by USAID are more permanent than the other apartments observed, which will ultimately require the installation of proper heating and cooking facilities.
4. The gas-powered heat and cooking provided under the USAID projects generated significant monthly cost savings for IDPs over the EU-financed electrical units. A comparison of utility bills from an apartment from the IDP DHP project and a similar one from the EU program indicated that the EU apartment paid approximately three times the monthly utility cost of the USAID apartment.
5. The project rehabilitated 1,029 housing units. This number of units was lower than originally desired, largely as a result of the lack of suitable buildings provided by MRA, the additional elements provided under the USAID projects over the original donor estimates, and the lack of bidders, leading to higher unit prices per apartment.
6. MRA failed to fund rent support for IDP families to allow complete rehabilitation of IDP-occupied buildings. As a result of this and other IDP issues, USAID was only able to fund rehabilitation of the external components and some internal improvements in certain collective centers. However, according to comments heard by the ET, a minority of residents are unhappy with the interiors and lack of amenities in the apartments.

Conclusions

MIP

1. MIP's road designs and construction appear to be of high quality and meet international standards.
2. Approximately 25% of participants interviewed believe that the project has provided them with some economic benefits. Their property values have increased as a result of the improved roads, reduced travel times, and improved access to the local hospital.

IDP

1. With the exception of some drainage and moisture issues in several collective centers, the finished housing units constructed under IDP DHP are well designed and in accordance with international standards and codes.
2. Residents questioned in the FGDs and on-site interviews were virtually unanimous in their satisfaction with the USAID-funded apartments.
3. The resulting USAID-funded apartments are a permanent solution that offers a number of amenities and significant cost savings. Conversely, the EU, WB and MDF apartments lack many of those amenities, were noted to have code violations, and do not present a final solution to IDP housing.
4. The original cost estimates provided by other donors, which were the basis for a larger number of residences, were not realistic given the higher level of quality and benefits (cookers, hot water, and heaters) provided to IDPs under the IDP DHP project.
5. Based upon site interviews with the ET, some residents were unhappy with USAID-funded apartments that received only external improvements. However, the decision to only rehabilitate the exteriors was predicated upon the inability or unwillingness of GoG to fund relocation rents for IDPs during the proposed apartment renovations, as well as other IDP concerns that they might not be allowed back in to their apartments.

Recommendations

1. Notify MDF to correct or address area and roof drainage problems in affected buildings under the IDP DHP program to eliminate existing water in basements and observed mold problems.
2. Direct USAID New Economic Opportunities (NEO) program to provide additional training to condominium associations to be aware of the mold issue and to address it as part of continuing maintenance programs.
3. Utilize an outside engineering firm to provide a Value Engineering (VE) analysis during the design of any large projects such as the IDP DHP program. A VE study is performed during the project design stage at approximately 30% completion. VE studies are a common method used by the Federal government and the private sector to reduce project costs, while still meeting the project objective.

Evaluation Question 2: *To what extent did USAID increase capacity of MDF to plan, design, procure, and manage infrastructure contracts?*

Findings

1. As a result of MDF's lack of supervision and training, TT's original scope of providing engineering oversight on the construction projects appears to have expanded to a more hands-on construction inspection role, involving daily site inspections, specific written site inspection comments, and EHS citations. While TT's envisaged role always included site inspections, quality assurance/quality control (QA/QC), and safety, it appears that, out of necessity, they took more of a hands-on role that was originally planned to have been performed by MDF.
2. The GoG did not provide sufficient financial or human resources to the project. For example, MDF staff should have been supplied by GoG, as is done in most international donor projects. Instead, salaries for key project personnel within MDF, including the project manager, program engineer, procurement specialist, and translator, in addition to several project vehicles and other miscellaneous items, were provided by USAID projects. These staff members are currently under contract to MDF but their fate or intentions at the end of the project (when salary support stops) is unknown. If these staff members leave MDF, a good part of the "institutional memory" leaves with them.
3. The ET viewed numerous EHS citation sheets provided by TT and by the Voyants JV citing serious safety violations dating back five months. These violations were sent to MDF who notified the contractors and requested that they improve EHS conditions at the sites. However, no actions were taken against them despite the fact that many of the outstanding violations noted were months old.
4. The ET visited a number of USAID-funded facilities under construction over a week and did not encounter an MDF inspector. This finding is anecdotal, but when combined with the prior findings, seems to re-affirm MDF's lack of resources for the program. USAID brought in an outside construction manager (the JV firm of Voyants, Saunders, Bets) on a seven-month lump-sum contract to assist MDF in its work. Outsourcing construction supervision was a recommendation of TT's Gap Analysis. Verifying the finding of the Gap Analysis, the ET views this contract as an acknowledgement that MDF could not perform the work, either because of lack of skilled personnel, continuing lack of internal policies, or both. Further, the departure of the JV firm in December 2014 does not increase the capacity of MDF to perform similar work in future projects.

Conclusions

1. While some improvements to MDF capacity were noted as a result of the project and the efforts of USAID and TT, MDF's existing capacity to perform similar projects is still clearly

lacking, particularly in its technical and project management capacity. This was clear from the lack of action on serious EHS violations that remain months after originally noted by TT and by the Voyants JV, as well as the apparent lack of on-site MDF personnel.

2. USAID payments to support MDF salaries do not increase the capacity of MDF to perform future infrastructure projects if these officials are not retained within MDF after the completion of the GMIP program. If these officials are retained by MDF, then MDF should have the capacity to pay these staff members without USAID's assistance.

Recommendations

1. Require MDF to establish an EHS Department with trained personnel on future donor-funded projects, with possible training included in the project. The EHS Department would have the right to shut down any project where the contractor has continuing, uncorrected EHS violations.

2. Require more specific "buy-in" by GoG on any future projects:

    a. All salaries and benefits of MDF should be the host government responsibility
    b. MDF should hire more experienced technical and construction management staff
    c. MDF should supply sufficient field staff to ensure that the projects are constructed in accordance with design specifications and in accordance with EHS requirements.

Evaluation Question 3: *What are the broad key lessons learned to inform future efforts on how to best develop host government procurement programs?*

Findings

1. The initial emphasis of the project appeared to be on the speed of implementation: initial feasibility studies were scheduled for completion in two to three months. These studies evaluated buildings provided by MRA for use in the program. The period was considered too short by some to prepare a proper feasibility study.

2. A second area where speed was a consideration was the selection of the design-build contract for the roads and irrigation systems. The design-build model can provide significant cost and schedule benefits to a project but requires prior experience with such contracts and, ideally, that the engineers and contractors have worked together before. The design-build contracts for the roads were viewed by USAID and TT to have gone well. This was not the case on the irrigation systems, which were plagued by project delays and contractor disputes.

3. The USAID model of active oversight (TT and USAID staff) produced far superior results to the "budget support only" EU model in terms of the quality of construction, and in resident satisfaction.

4. The higher per-unit cost of the USAID apartments meets the standard of "durable" in the IDP DHP project. Based on interviews and observations, the ET felt that USAID-funded facilities actually became permanent homes, while the EU, and particularly MDF, apartments felt like little more than temporary housing, needing another input of resources for utility improvements, basic kitchen and bathroom improvements, and an effective and economical heat source.

5. Neither USAID nor its technical oversight contractor appears to have had the ability to shut down unsafe practices at any construction project funded by the Agency if MDF failed to act on notification of such practices. While MDF may have provided notices of unsafe practices to contractors, no further action was taken in most cases, such as shutting down the projects for continued safety violations.

Conclusions

1. The initial feasibility studies evaluating potential IDP buildings were required to be performed too quickly (two to three months) to properly evaluate the numerous problem buildings proposed by MRA for the project.
2. The design-build procurement process selected for the roads and irrigation projects is well suited to fast-track projects and often results in lower overall costs and one-point responsibility. However, with the exception of the roads contractors (Black Sea Group and Arnabi 21), it appears that local contractors lack the capacity to execute these innovative contracts in any meaningful sense. Many problems were noted by USAID and TT officials on these projects and the more conventional design-bid-build procurement was used for the remaining projects.
3. Alternate contracting techniques (such as EU's budget support only) result in a complete loss of control on the scope and quality of the finished product by the donor, manifested by examples including poor quality and unusable handicap access, code violations, and dissatisfied beneficiaries.
4. While some success in EHS was achieved (increased worker safety in asbestos removal, and the use of personal protective equipment by workers), USAID and TT were not able to push MDF to act (or MDF was unable to act) on prevention of unsafe construction management practices, as evidenced by the long lists of uncorrected, months old violations viewed by the ET.

Recommendations

1. Require VE studies at the 30% design phase for all projects greater than, say $10 million. While the MIP and IDP DHP projects were a series of smaller procurements totaling over $50 million, the overall program could well have benefitted from a VE analysis of the overall project.
2. Use design-build structures and other innovative procurement techniques only with international tenders, or in special situations requiring quick action such as life-threatening situations or public-health emergencies.
3. The approach used by USAID in the implementation of GMIP is a successful one and should be replicated in the future. Specifically, USAID should retain a technical oversight role (whether by USAID personnel or a contractor) to ensure that proper design practices are adopted and proper construction techniques used. Besides ensuring that proper design and construction techniques are used, this approach is more sustainable in strengthening local capacity than the alternative approach of contributing funds to a governmental agency with little or no follow up action.
4. Require sufficient resource commitment by GoG, or any host country government, to truly assume a sustainable position in future infrastructure projects. USAID should be prepared to shut down such a project by withholding contractor payments, should required safety violations remain uncorrected.

1.0 INTRODUCTION

1.1 EVALUATION PURPOSE

This is a report on the Performance Evaluation of the Georgia Municipal Infrastructure Program (GMIP), which consists of two components: the Municipal Infrastructure Project (MIP) and the Internally Displaced Persons Durable Housing Project (IDP DHP). GMIP was funded by the United States Agency for International Development (USAID) Mission in Georgia. The two projects under GMIP are being overseen by Tetra Tech (TT), and implemented by the Municipal Development Fund (MDF) between June 2011 and December 2014.

The evaluation of both projects was conducted during the period September – October 2014, by a team assembled by Mendez, England & Associates (ME&A), located in Bethesda, MD. The Evaluation Team (ET) consisted of Terence Driscoll (Team Leader), Giorgi Kemoklidze (Water and Sanitation Specialist), and Marika Gorgadze (Georgia Country Director for ME&A). IRMS, a local Georgian firm, assisted with conducting focus group discussions (FGDs) and a household survey. In addition, the ET was assisted with its interviews and site visits by Ms. Diana Cazacu of USAID/Moldova.

The evaluation was intended to provide the USAID/Georgia Mission with an assessment of: 1) the impact of the projects on the project beneficiaries; 2) the effects of the projects on strengthening the capacity of MDF to carry out similar infrastructure projects; and 3) the quality of the facilities constructed under the projects. The evaluation was also intended to review and comment upon the performance of the Government of Georgia (GoG) agencies – MDF and the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia (MRA) – in carrying out their responsibilities to select and provide adequate housing facilities for IDPs in Georgia.

1.2 EVALUATION QUESTIONS

As outlined in the Statement of Work (SOW), the three key evaluation questions are:

1. What are the achievements of the MIP and IDP DHP projects measured against the expectations of the assistance agreement and the quality of the completed infrastructure projects?
2. To what extent did USAID increase the capacity of MDF to design, plan, procure, and manage contracts and implement infrastructure projects?
3. What are the broad key lessons learned that can inform future designs on how best to develop the capacity of host government procurement systems.

2.0 PROJECT DESCRIPTIONS

2.1 PROJECT OVERVIEW

GMIP was conceived by USAID as a three-year program (2011-2013) consisting of two components:

1. Component 1: MIP project, which was targeted at rehabilitating selected infrastructure (roads and irrigation projects) in areas impacted by the 1992 and 2008 conflicts with Russia.
2. Component 2: IDP DHP project, which focused on rehabilitating housing for IDPs affected and displaced by those conflicts.

The projects were funded by USAID on behalf of the GoG's MDF via Implementation Letters 3 and 4, both dated February 18, 2011 and subsequently amended to increase the time of completion.

2.2 IMPLEMENTATION LETTER 3 (MIP)

Implementation Letter 3 provided to MDF a USAID grant of $17.7 million to "develop and/or repair critical infrastructure." MIP, as described in Implementation Letter 3, consisted of two components:

1. Component 1: Rehabilitation of municipal infrastructure, which included rehabilitation of 31 roads in Mtskheta, Dusheti, Gori, Kareli, and Oni with a total length of 25.3 kilometers. These works were broken down as follows:
    a. 19 roads in Mtskheta-Mtianeti Region (Mtskheta and Dusheti), comprised of approximately 7.2 kilometers
    b. 3 roads in Shida Kartli (Gori and Kareli) comprised of approximately 15.1 kilometers
    c. 9 roads in Racha Region (Oni) comprised of approximately 3.1 kilometers
    d. Rehabilitation of the headworks and construction of a new water treatment plant in Oni.
2. Component 2: Rehabilitation of irrigation canals which included irrigation works (canals, sluice gates and structures) in Shida Kartli Region. These works consisted of:
    a. Rehabilitation of 15.3 kilometers and cleaning 4.94 kilometers of canals in the Tiraponi Irrigation System
    b. Rehabilitation of the headworks and sluice gates at Karbi
    c. Rehabilitation of 9.29 kilometers of canals in the Saltvisi Irrigation System

Implementation Letter 3 called for completion of the project by December 31, 2013, though this letter was amended to extend the program through December 31, 2015.

2.3 IMPLEMENTATION LETTER 4 (IDP DHP)

Implementation Letter 4 provided a USAID grant of $34.7 million to MDF to "provide upgrades for nearly 4,000 houses constructed by the Government of Georgia after the August 2008 war," and to rehabilitate collective centers and other buildings "consistent with the Government of Georgia's interest in improving the overall living conditions of IDPs."

IDP DHP consists of 2 components, as described below:

1. Component 1: Water and sewerage upgrades to up to 4,000 cottages in the Mtskheta-Mtianeti and Shida Kartli Regions (the final number of cottages served was 1,867). New bathroom structures were constructed adjacent to the cottages as the cottages could not be readily expanded. The 1,963 cottages serviced included:
    a. 700 cottages in the Mtskheta-Mtianeti Region (Tsilkani and Frezeti)
    b. 1,263 cottages in the Shida Kartli Region (Metekhi, Teliani, Khurvaleti, Shavshvebi, Berbuki, Karaleti, Skra, Mokhishi, and Akhalsopeli)

2. Component 2: Rehabilitation of unoccupied buildings provided by MRA, and the construction of IDP apartments within the buildings. The final number of rehabilitated buildings was 35, with apartments totalling 1,029 as follows:
    a. 21 collective centers totalling 453 apartments in Kutaisi, the Imereti Region, and Samegrelo
    b. 10 buildings totalling 335 apartments in Kutaisi, Tskaltubo, Vani, Zestaponi, Terjola, Marneuli and Kareli.
    c. 4 empty hospitals totalling 240 apartments in Kutaisi and Kaspi

Implementation Letter 4 called for completion of the project by December 31, 2013, though this letter was amended to extend the project through December 31, 2015.

2.4 TETRA TECH OVERSIGHT

The projects were managed by USAID (with MDF), with TT providing engineering oversight services. MDF's management role was subsequently supplemented by an outside construction management contractor, a joint-venture (JV) known as Voyants, Saunders, and Bets, whose contract ends in December 2014.

TT's role was to ensure that: 1) infrastructure deliverables were effective, efficient, and sustainable; and 2) implementation was carried out within allowable budgets, restraints, and within accepted quality standards. TT prepared several key documents, including:

- "Municipal Infrastructure and IDP Housing Rehabilitation Project—Rapid Appraisal Report," dated June 10, 2011; and
- "Gap Analysis in GMIP Construction Management (CM) Practices," revised May 25, 2012

The Rapid Appraisal Report noted the significant challenges of the projects, among them:

- The limited time for feasibility studies and project selection
- The wide geographical and technical range of projects
- Lack of local Georgian engineering firms and contacting capacity to provide goods and services
- Overall lack of competition

These concerns ultimately proved to be significant factors in project execution.

The Gap Analysis Report cited specific weaknesses in MDF's capacity to implement the projects with the following observations:

- MDF staff was largely perceived as a procurement organization rather than a construction management organization.
- MDF staff has insufficient focus on regular inspection of projects. The analysis specifically recommended that 34 full-time inspectors be provided to the project.
- MDF staff is untrained in CM techniques such as inspection procedures, scheduling, and contractor management; and
- There is a lack of formal written procedures and policies such as quality assurance/quality control (QA/QC) plans, safety plans, and Environmental Compliance Plans.

These gaps were also significant to the implementation of the construction projects, particularly in the collective center rehabilitation.

Specific TT activities to provide assistance included: engineering evaluation of buildings proposed by MRA for rehabilitation; evaluation of water distribution designs for existing cottages for use in implementing the new utilities provided under the GMIP; provision of environmental, health and safety (EHS) training to both MDF inspectors and contractors; inspection of construction activities and development of their own EHS violations list; and assistance to the DRC in educating IDPs on specific steps to be taken to privatize their apartments, among others.

3.0 EVALUATION METHODOLOGY AND LIMITATIONS

3.1 EVALUATION METHODOLOGY

The ET began the evaluation with available quantitative data from previously completed analyses, such as the CM Gap Analysis conducted by TT. A summary of documents reviewed by the ET is listed in

Annex 1. The evaluation methodology was designed to specifically address the three evaluation questions in the SOW. The evaluation design matrix used in the evaluation is shown in Annex 2. The matrix focuses on the key questions that were addressed in the evaluation, the sources of information used, data collection techniques, and analysis to answer those questions.

The evaluation used a mixed-methods approach that consisted of:

- Document reviews
- Meetings
- Key informant interviews (KIIs)
- FGDs
- Mini-survey

KIIs were conducted through protocols and instruments with both standard and customized questions for USAID, MDF, MRA and other government officials, TT, and other contractors. A listing of those persons interviewed is summarized in Annex 3, along with the results of the ET's informal field surveys. The questionnaires for USAID, MDF and contractors, and Government officials are shown in Annex 4.

FGDs and the mini-survey were conducted to expand on the views and experiences of key target groups: IDPs and rural communities. They were conducted by IRMS, a local Georgian firm specializing in surveys. The questionnaire for the mini-survey is shown in Annex 5.

To conduct the mini-survey, the ET drew a stratified random sample of the IDP households that benefited from both projects. The ET then further stratified the sample by IDPs whose houses were upgraded, and IDPs who live in communities that benefited from rehabilitated municipal infrastructure. The purpose was to ensure that a representative sample of each group of beneficiaries was included.

3.2 EVALUATION DESIGN

The evaluation included both qualitative data collection and quantitative data collection, as discussed below.

3.2.1 Qualitative Data Collection

The qualitative data collection consisted mainly of semi-structured KIIs with USAID staff, USAID engineers, TT engineers and managers, the Danish Refugee Council (DRC) officials, government officials from MDF and MRA, and IDPs.

The ET interviewed both direct beneficiaries of the program and those not involved in it. In addition, the ET conducted a comprehensive review of information and reports pertaining to MIP and IDP DHP projects since their beginning in 2011.

Other data collection sources included:

- A review of materials related to MIP and IDP DHP projects, as well as materials provided by USAID, including the assistance agreement, Implementation Letters 3 and 4 and amendments, project reports and documentation, annual work plans, etc.
- Interviews with USAID's Regional Contracting Officer, Procurement Specialist, and USAID engineers.
- Interviews with TT staff.
- Interviews with Voyants, Saunders, Bets, the JV firm retained by MDF late in the project to assist with the construction management.
- Interviews with MDF and MRA officials in Tbilisi and in Kutaisi.

- Site visits to Shida Kartli, Imereti, Samegrelo, Kvemo-Kartli, and Racha.
- Informal interviews with direct USAID project beneficiaries, with beneficiaries of other projects implemented by the European Union (EU), the World Bank (WB), and GoG, and with IDPs who had not received any benefits. The purpose of these different types of interviews was to contrast the perceptions of USAID beneficiaries with those who had received assistance from other organizations and who had received no assistance. The results of these informal interviews are discussed in a subsequent section of the report. For each interview conducted, The ET ensured respondents of their confidentiality. Respondents were also assured that they could withdraw from the interview at any point, and that refusal to participate would not affect them in receiving any services under the GMIP.
- Direct observation to cross-check information and observe the rehabilitated infrastructure. The observations are discussed in a subsequent section of this report.
- FGDs to obtain qualitative information to strengthen the ET's analysis and understand the relationship between the projects and the results they have achieved. The ET focused on IDPs in the areas where the projects have intervened and on rural communities that benefited from the rehabilitation of the municipal infrastructure. The FGDs also included indirect beneficiaries.

3.2.2 Quantitative Data Collection

Quantitative data collection consisted of a review of secondary data from the CM Gap Analysis report by TT, and a mini-survey of IDPs that benefited from both projects.

The Gap Analysis cited three major needs for the project:

1. Additional qualified people (34) to provide fulltime on-site inspection
2. Resources to support them
3. New written CM procedures for MDF and TT

The mini-survey, which was conducted by IRMS, was intended to reach IDP households that received rehabilitated apartments from the projects as well as those that benefited from rehabilitated municipal infrastructure.

The mini-survey contained 20-25 questions, which covered the following areas:

- Sanitation
- Drinking water
- Living facilities
- Quality of roads
- Accessibility to different type of facilities (healthcare, education, etc.)

In total, 100 participants responded to the mini-survey. To reach the participants, the ET used ArcGIS in order to identify buffer zones across rehabilitated roads and include accessibility indicators to select households within the affected settlements. A more thorough discussion of the mini-survey and FGD methodology is contained in the following section.

3.3 MINI-SURVEY AND FOCUS GROUP DISCUSSIONS

3.3.1 Mini-Survey Methodology

Two regions were selected for the mini-survey: Imereti and Shida-Kartli.

Within the Imereti region, the ET selected the major cities of Kutaisi and Tskaltubo. The IDPs in these cities are from Abkhazia, and are located in collective centers. In Shida-Kartli, the ET selected the compact settlements of Mokhisi, Akhalsopeli, Skra, Berbuki, Metekhi, Teliani, Sakasheti.

These settlements were selected based upon their proximity to USAID MIP locations, rather than whether the irrigation, roads or even the settlement infrastructure was rehabilitated under the MIP and IDP DHP projects. The rationale for this selection was to establish and contrast the impacts of the projects on the direct beneficiaries, as well as to determine the impact (if any) on surrounding areas. A total of 100 households in both regions were interviewed: 65 were located in Imereti and 35 in Shida-Kartli. Of the participants surveyed, 32% were male and 68% were female.

Figure 1 below shows the location of these settlements in relation to USAID projects. Table 1 presents a summary of mini-survey participants by region and city.

Figure 1 - MIP Shida-Kartli Interviewed Settlements

USAID Rehabilitated irrigation system/IDP settlements
Settlement
Rehabilitated Road segment Starting point
Rehabilitated Road segment end point

Table 1 – Mini-Survey Interviews by City or Settlement

Region	City/Settlement	Number of Households Surveyed
Imereti		
	Kutaisi	32
	Tskaltubo	33
Imereti Total		**65**

Region	City/Settlement	Number of Households Surveyed
Shida-Kartli		
	Akhalsofeli	6
	Berbuki	5
	Metekhi	5
	Mokhisi	5
	Sahasheti	4
	Skra	5
	Teliani	5
Shida Kartli Total		**35**
Mini-Survey Total		**100**

3.3.2 Focus Group Discussions

In addition to the quantitative data collected in the mini-survey, ten FGDs were arranged with IDPs and involved a total of 80 participants. Again, selected IDPs included both those affected by the MIP project and those not directly affected or benefitted from it.

Six of the ten FGDs were conducted in Kutaisi. IDPs from both Kutaisi and Tskaltubo collective centers were invited to these discussions. Four discussions were held in Shida Kartli. Table 2 is a summary of the 80 FGD participants by region and by settlement.

Table 2 – FGD Participants by City or Settlement

Region	City/Settlement	Number of Participants	% of Total
Imereti			
	Kutaisi	28	35%
	Tskaltubo	26	33%
Imereti Total		**54**	**68%**
Shida-Kartli			
	Akhalsofeli	1	1%
	Berbuki	3	4%
	Metekhi	1	1%
	Mokhisi	2	3%
	Sahasheti	1	1%
	Skra	3	4%
	Teliani	5	6%
	Gori	10	13%
Shida Kartli Total		**26**	**32%**
FGD Total		**80**	**100%**

3.4 GENDER

The ET tabulated gender in all of its 214 formal and informal interviews and focus group discussions. Of the 214 participants, 77 were and 137 females. Table 3, next page, summarizes the participation by gender, showing 36% participation by males and 64% by females.

Table 3– Evaluation Interview Gender Distribution

Activity	Total Participants	Male	Female
Key Informant Interviews	15	12	3
Informal Site Interviews	19	2	17
Mini-Survey	100	32	68
Focus Group Discussions	80	31	49
Total	**214**	**77**	**137**
% of Total		**36%**	**64%**

The GMIP's evaluation did not focus on the specific impacts of the program on gender, as the program selection criteria for which roads and buildings to rehabilitate, and which IDPs were granted housing did not include gender as a criterion.

With specific regard to selecting IDPs and the size of apartments, the selection criteria included factors such as advanced age, number of children, and handicapped status, among others.

3.5 EVALUATION LIMITATIONS

There are several limitations inherent to the design of this evaluation.

- **Selection bias**. As some key informants declined to be interviewed, there was a possibility of selection bias, i.e. those respondents who choose to be interviewed might differ from those who do not in terms of their attitudes and perceptions, affiliation with government/non-government structures, and socio-demographic characteristics and experience.
- **Limited time and resources**. The time and budget allowed for this evaluation, which includes two large projects, was limited. This reduced the survey's sample size and the quantity of data collected.

While important, the above limitations did not prevent the ET from gathering the information and data needed to draw conclusions and make recommendations for similar USAID-funded projects in the future.

4.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.1 EVALUATION QUESTION 1

What are the achievements of the MIP and IDP DHP projects measured against the expectations of the assistance agreement and the quality of the completed infrastructure projects?

The MIP and IDP DHP projects were intended to focus primarily on providing permanent housing to IDPs as expeditiously as possible, improving on prior housing efforts by the WB and other donors in providing improved water and sanitation facilities to existing cottages, as well as improving critical

infrastructure - principally roads and irrigation facilities, damaged in prior conflicts and as a result of economic downturns.

4.1.1 Findings

Overall, the ET found the scope of the MIP and IDP DHP projects to be more comprehensive and more focused on the quality of life of IDPs than similar past projects funded by the EU, WB, or GoG. This finding is described in more detail below.

MIP

1. The MIP project has provided upgrades and improvements to 31 existing streets and roads, totaling over 25 kilometers. While the ET did not review road designs or witness placement of reinforcing steel and concrete for the roads, other design and construction features were evident to the team. Primary among them was the use of high-quality reinforced concrete pavement versus the more common asphalt surface. The crowning of the roads to facilitate drainage appeared to be proper as was the curb design. The overall design and construction of the new roads appeared superior to the surrounding roads which were undamaged. These upgrades appear to be properly designed and executed in accordance with international standards.

   The FGDs with 80 participants in different parts of the country, revealed perceived economic benefits as a result of MIP project by only 2% of the participants. A majority of participants (83%) felt there was not an economic benefit, while the remaining 15% of respondents had no opinion or did not know.

   The FGD responses for road impacts on travel time to different destinations yielded a variety of results. For 19% of those who live near the MIP-rehabilitated roads, the travel time has been reduced to access markets and employment. Before the road projects, respondents had to go through the whole city of Gori. Another benefit cited by 24% of respondents was that the improved roads make the local hospital more accessible in a shorter time.

   The renewal of Gori-Jvari road greatly benefitted the participants from Gori, especially on rainy days, when people could use only 4-wheel drive cars for travel because of the road conditions.

   A review of the sample data showed that a general perception of the FGDs was that the road improvements were either beneficial or, at worst, represented no change. The responses varied significantly and the number of participants who were drivers was not polled.

   The only negative issue they emphasized was the storm sewer system, which they believe does not comply with standards and thus rainwater floods the streets. Respondents believed repair or modification of the system is necessary.

   Rehabilitation of the Gori roads also affected IDPs who live further from the rehabilitated roads. They stated that travel time to the markets and schools has been drastically reduced. Because of the new roads, FGD participants think that their real-estate is more valuable than those who live nearby on streets in bad condition.

   The ET reviewed “before” photographs before visiting the Karbi Headworks and the Tiriponi Main Irrigation Canal. It was clear from these photographs that the constructed project represents a significant improvement over prior conditions: functioning sluice gates capable of diverting water with channels repaired and improved in water carrying capacity. As a result, the efficiency of irrigation water delivery is clearly much improved over the prior irrigation channels, with less water loss and more water reaching downstream users.

IDP DHP

1. The ET found that the cost of IDP DHP was more expensive per unit than projects funded by the EU or the WB. Estimates provided by the EU and WB suggested that apartments for IDPs could be rehabilitated for approximately $10-$12,000 per unit, which created the initial IDP DHP estimate that 4,000 apartments could be provided under the $34 million program. However, a comparison by the ET of the types of apartments provided by EU, WB, and MDF funding to similar-sized USAID-funded units found a vast difference in the facilities and the quality of the construction provided. Many of the earlier efforts (the basis of the $10-$12,000 per unit estimate) did not include either building insulation, water, wastewater, natural gas utilities, heat, hot water, or even stoves or cookers. Also, handicap access to the buildings and within the buildings was either non-existent or inadequate.

   Figure 2, below, shows a ramp from an EU-funded building, which did not appear to be usable for handicap access and egress. The ramp is too steep and too narrow for proper wheelchair access. Also the ramp is not equipped with a non-skid surface, making it slippery during rainy or wintry conditions.

Figure 2: Poorly Designed Handicap Access Ramp to EU-Funded IDP Building

   In Kutaisi and Tskaltubo, those IDPs who were given new apartments via the IDP DHP program expressed gratitude and were very satisfied with their current living conditions. They compared their previous experience of living in a very small space, sometimes with six to seven household members sharing a living space of only 12 square meters. Prior to the project, the IDPs did not even have their own kitchens, toilets, or baths, which made their lives very difficult. The project beneficiaries stated that the IDP DHP project drastically improved their living conditions. They have their own kitchens, baths, and toilets. The apartments are connected to the natural gas network, and the residents are provided with water and gas heaters. In the FGDs, 70%-78% of participants cited increased comfort (over their previous condition) of their various rooms including their new kitchens, new bathrooms and toilets.

   While the majority of participants in FGDs were satisfied with the comfort of their rehabilitated apartments, there were some issues noted by the residents to the ET. In informal interviews with IDPs by the ET, most of the beneficiaries living on the first two floors cited the problem of dampness, a common problem throughout Georgia. The walls and floors are already affected and the basements are mostly flooded.

   The storm sewer system was cited by participants as problematic, due to excess standing water and flooded basements. This appears to be the result of pre-existing drainage issues that were not identified or not addressed by the design. FGDs also revealed that some of the IDPs living in USAID buildings were still waiting for the rights to their apartments.

   The ET also visited several EU-funded apartments – two WB-funded IDP cottages and two MDF-constructed apartments – and spoke with a total of ten residents there about their quality of life and overall satisfaction with their apartments. While each apartment was different, depending upon the funding source, residents in these apartments were almost unanimous in their dissatisfaction with the living conditions.

   The ET noted a lack of heat, primitive cooking and bathroom conditions, and several notable safety and code violations. An informal survey of IDPs not served by the IDP DHP project indicated that

they are still living in old buildings in which the only energy source is electricity. They use electricity for cooking, heating, and hot water. As a result, their monthly expenses are very high, especially in the winter. They used to have a 100-watt allowance from the GoG, which was more or less enough in the winter. However, this allowance has been altered with slightly increased social aid of approximately 45 GEL per person per month. In big cities like Kutaisi, this social aid is the only major income source for the IDPs, where there is no agriculture land for additional income. They stressed that this allowance is not sufficient for them to pay for using electricity. In addition, these IDPs complained that they cannot connect to the gas network because of poor building conditions. Compounding the problem is that, according to the IDPs interviewed, many conditions in the buildings are not repairable and they are not allowed make other repairs.

Figure 3, below, shows an unsafe cooking and heating situation in a GoG-funded apartment. The combined electrical cooker and heater are clearly a hazardous situation for both burns and electrical shock. Figure 4, shows an electrical code violation with a standard-type electrical receptacle which is located too close (< 1 meter) to a water service. The US National Electrical Code requires a special receptacle be installed if it is closer than 2 meters from a water service.

Figure 3: Unsafe Heating and Cooking Conditions in MDF-Constructed Apartment

Figure 4: Electrical Code Violation in MDF-Constructed Apartment

2. Several KIIs cited the short period of time (two to three months) given to the preparation of the initial feasibility studies performed by local consultants. The initial emphasis on the speed of implementation was laudable, given the poor living conditions of the IDPs. However, this emphasis likely resulted in some of the issues observed during the project, including:

    a. Structural issues to be addressed in some buildings before rehabilitation could begin.
    b. Uncorrected drainage issues observed by the ET in a number of the collective centers, leading to potential mold issues.
    c. Low water pressure in four to five cottage settlements in WB-designed distribution systems, leading to poor operation in the constructed plumbing system, specifically hot water heaters.

    It should be noted that the projects are ongoing and these issues may still be corrected prior to overall project completion.

3. The final number of housing units actually constructed was 1029, which was a smaller number than the "soft goal" of 2,400 referred to in interviews. While 2,400 housing units may have been an overly optimistic and soft goal at the start of the project, it is clear that fewer units were constructed than originally desired. Reasons for the lower number include:

a. Lack of suitable buildings provided by MRA. A number of buildings were found to have significant difficulties, such as asbestos roof materials, hospital waste remaining in buildings to be renovated, serious structural problems, and persistent drainage problems
b. Lack of clear title to the buildings
c. Additional elements provided under USAID projects over the original donor estimates
d. Lack of bidders, leading to higher unit prices per apartment

4. From site visits and observations, as well as FGDs with residents of apartments from all funding sources, the ET found that the apartments provided by the IDP DHP project are clearly superior to the apartments provided by other donors and by the GoG, based upon:

    a. Access to utilities (water, sewer and natural gas)
    b. Gas cookers and heat provided
    c. ADA-compliant ramps and other features in apartments

5. Based on direct site observations conducted by the ET, it appears that the apartments rehabilitated by USAID are more permanent than the other apartments observed. Unlike the EU and GoG-funded apartments, no significant additional facilities are required in the GMIP-funded apartments such as hot water heaters, room heaters and cookers.

6. The ET noted that the type and quality of the apartment rehabilitation construction was high. This includes improved safety due to removal of asbestos roofs, new energy efficient windows and ventilation, energy-efficient fluorescent area lighting, and the overall quality of construction seen in flooring, lighting, and plumbing. While a qualitative judgment, the ET noted a greatly improved ambiance in the apartments and common areas: better lighting, playgrounds, and parking areas. These improvements appear to have resulted in increased resident participation in maintenance and upkeep of the buildings, which would appear to bode well for the future.

7. The gas-powered heat and cooking provided under the USAID program generated significant monthly cost savings for IDPs over the EU-financed electrical units. The ET compared monthly utility bills from an apartment from the IDP DHP project and one from the EU program and found that the EU apartment paid approximately three times the monthly utility cost of the USAID apartment. The average monthly utility cost from the USAID-funded apartment was approximately 35 GEL ($20) vs. approximately 100 GEL ($60) from the EU-funded apartment.

8. MRA failed to fund rent-support for IDP families to allow complete rehabilitation of IDP-occupied buildings. As a result, USAID was only able to fund rehabilitation of the external components and some internal improvements in certain collective centers. This was presented to the ET by a group of 13 families in the so-called "Young Tourist House" in Kutaisi, as a major reason for refusing USAID's assistance in their building. Also, the IDPs felt that the rehabilitated apartments would be too small and they didn't want to use their IDP durable housing "voucher" to obtain such a small place on a permanent basis.

4.1.2 Conclusions

MIP

1. MIP's road designs and construction appear to be of high quality and meet international standards.

2. Responses from the FGD participants on road benefits were varied, with the majority finding no change in perceived benefits, and a significant minority citing improved travel times. Among the informal site interviewees, the road projects were seen as beneficial to traffic flow, drainage, overall traffic safety, and increased property values.

IDP DHP

1. The original cost estimates provided by other donors, which were the basis for a larger number of residences, were not realistic given the higher level of quality and benefits (cookers, hot water, and heaters) provided to IDPs under the IDP DHP project.
2. With the exception of some drainage and moisture issues in several collective centers visited by the ET, the finished housing units constructed under IDP DHP are well designed and in accordance with international standards and codes. The projects are still under construction or "punch list" status with time remaining in the project for correction.
3. The problems with low water pressure noted in the cottage settlements present serious problems to the USAID activities providing internal plumbing and hot water fixtures, which require a minimum water pressure that currently is not available. These problems appear to arise in the existing water distribution system, designed by a WB consultant years before. If uncorrected, the major benefits of the USAID program in four to five cottage settlements will not be realized. Correcting the problem may require additional resources to raise the storage tanks, check the ability of the existing distribution pipes to handle the required pressure, etc.
4. Residents questioned in the FGDs and on-site interviews were virtually unanimous in their satisfaction with the USAID-funded apartments.
5. The resulting USAID-funded apartments are a permanent solution that offers a number of amenities and significant cost savings. Conversely, the EU, WB, and MDF apartments lack many of those amenities, were noted to have code violations, and do not present a final solution to IDP housing.
6. In ET's informal survey of about 20 residents, a small number of residents (roughly 10%) surveyed were unhappy with some USAID-funded apartments that received only external improvements, due to the inability or unwillingness of GoG to fund relocation rents for IDPs during the proposed apartment renovations. Most, however, were satisfied and in one collective center, two families stated that they were making their own internal improvements as a result of the external improvements.

4.1.3 Recommendations

1. Utilize an outside engineering firm to provide a value engineering (VE) analysis during the design of large projects such as the IDP DHP program. A VE study is performed during the project design stage at approximately 30% completion. VE studies are a common method used by the federal government and the private sector to reduce project costs while still meeting the project objective.
2. Notify MDF to correct or address area and roof drainage problems in affected buildings under the IDP DHP program to eliminate existing water in basements and observed mold problems.
3. Direct USAID New Economic Opportunity (NEO) program to provide additional training to condominium associations to be aware of the mold issue and to address it as part of continuing maintenance programs.

4.2 EVALUATION QUESTION 2

To what extent did USAID-funded GMIP increase capacity of MDF to plan, design, procure, and manage infrastructure contracts?

A key focus of the GMIP was to improve the capabilities of MDF to plan, design, and implement other similar projects on a sustainable basis. MDF plays the role of a program management unit (PMU), which is a common method used by many governments receiving donor aid to execute and manage those projects. According to the 2012 TT Gap Analysis, the MDF was responsible for managing more than 55 projects that, at that time, were estimated at $110 million.

A major goal of the GMIP was to expose MDF to best practices in planning, design, and construction management in order to provide a sustainable way forward for MDF to execute other similar

infrastructure projects, whether funded by USAID or other donors. GMIP provided salaries for key project personnel within MDF, including the project manager, program engineer, procurement specialist, and translator, in addition to several project vehicles and other miscellaneous items.

4.2.1 Findings

The 2012 TT Gap Analysis cited a lack of capacity within MDF to execute construction projects, which in turn, was due to a lack of: 1) trained construction personnel; 2) internal policies and procedures; and 3) commitment to provide sufficient on-site inspection staff on construction projects.

1. According to the MDF USAID Program Manager, the GoG commitment was 20% higher than called for under the 2010 Assistance Agreement. This figure was not substantiated by the ET. Despite this higher financial commitment, the ET found a lack of GoG human resource commitment to the MIP and IDP DHP projects, as evidenced by:

   - Significant personnel turnover within MDF including at the leadership level
   - Lack of construction field staffing by MDF as indicated by TT, the continued uncorrected construction health and safety issues, and the need to bring in an outside construction management firm to assist MDF in managing the construction activities.

   This lack of commitment by GoG limited USAID's objective in building the capacity of MDF to plan, design, and construct similar infrastructure in the future.

2. MRA (GoG) was not effective in the selection of proper buildings for IDP housing. Thousands of buildings were proposed by MRA, many with serious environmental issues, structural issues, lack of utilities, or long distances from economic activity (jobs, shops, etc.). A key issue was the lack of clear title to the buildings proposed. Such an ineffective selection process proved to be a major "brake" to the project.

   The ET viewed the photographs of the buildings proposed by MRA for the IDPs and found that many were clearly unacceptable but did require TT resources to evaluate the proposed buildings. This, combined with the overly compressed timeframe to prepare the feasibility studies, led to the selection of buildings with serious problems, which affected the schedule and cost.

   As a result, significant resources were expended by TT and others to remedy these problems. Given the lack of GoG commitment on the GMIP program and the potential lack of retained institutional memory from the project, the ET questions whether MDF will expend the necessary level of resources on future IDP housing projects.

3. There is both a current, and possibly future, lack of institutional memory at MDF on project best practices put forth through the efforts of USAID and its contractors. These practices include a focus on environmental health and safety (EHS) of contractors and IDP residents, improved scheduling, proper construction management techniques, more effective contractor communication, and procurement.

   Reportedly, MDF has had three directors over the life of the MIP and IDP DHP projects, making it unlikely that these practices will be adopted and institutionalized within MDF. The payment of project salaries of key MDF staff by USAID raises questions about the future of these practices within MDF if these key personnel are not retained by MDF after GMIP is complete in December 2015.

4. As a result of MDF's lack of supervision and training, TT's original scope of providing engineering oversight on the construction projects appears to have expanded to a more direct construction inspection role, involving daily site inspections, specific written site inspection comments, and EHS citations. According to MDF's USAID Project Manager, 17 construction supervisors are assigned to

the project, which apparently was insufficient as the Voyants JV was brought in late in the project to supplement the construction management work. According to TT's Chief of Party, many of the MDF inspectors are not engineers and have little construction experience.

5. USAID took a more direct and effective role in ensuring a robust and reasonably expeditious privatization process on the USAID project apartments, by retaining DRC to guide residents through the process. The privatization process was cited by many non-USAID apartment residents as a major problem for them.

6. The GoG did not provide sufficient financial or human resources to the project. For example, MDF management staff should have been provided by GoG, as is done in most international donor projects. Instead, salaries for key project personnel within MDF, including the project manager, program engineer, procurement specialist, and translator, in addition to several project vehicles and other miscellaneous items, were provided by USAID projects. These staff members are currently under contract to MDF, but their fate or intentions at the end of the project (when salary support stops) is unknown. If these staff members leave MDF, a good part of the institutional memory leaves with them. This is not a sustainable practice and does not increase MDF's capacity.

7. MDF brought in an outside construction manager (the JV firm of Voyants, Saunders, Bets) on a seven-month lump-sum contract to assist MDF in its work. Outsourcing construction supervision was a recommendation of TT's Gap Analysis. Verifying the findings of the Gap Analysis, the ET views this contract as an acknowledgement that MDF could not perform the work either because of lack of skilled personnel, continuing lack of internal policies, or both. Further, the departure of the JV firm in December 2014 does not increase the capacity of MDF to perform similar work in future projects.

8. The ET viewed numerous EHS citation sheets provided by TT and by the JV citing serious safety violations dating back five months. Examples of these violations included exposed electrical wires to welders passing through standing site water, standing under suspended loads, and the failure of contractor personnel to wear proper personal protection equipment (PPE) such as high-visibility vests, eye protection for welding, grinding, and cutting tasks. Normal construction practice (and the construction contract language) would be for the construction manager to immediately require correction by the contractor. Failure to correct these violations could result in a partial or full shutdown of the site, or even contractor termination. While progress was apparently made on EHS over the project life, the pages of violations viewed by the ET were current as of the evaluation (September 2014). These violations were sent to MDF who took no action against contractors and didn't even require correction by the contractor, as many of the outstanding violations noted were months old, and were still outstanding in September 2014.

9. The ET visited a number of USAID-funded facilities under construction over a week and did not encountered a MDF inspector. This finding is anecdotal, but when combined with the prior findings, seems to re-affirm MDF's lack of resources for the program.

4.2.2 Conclusions

1. Some improvements to MDF capacity were noted as a result of the efforts of USAID and TT, including improved safety monitoring and attention to detail in construction and construction management. However, MDF's existing capacity to perform similar projects is still clearly lacking, particularly its technical and project management capacity. This was clear from the lack of action on serious EHS violations that remain months after originally noted by TT and by the Voyants JV, and the apparent lack of on-site MDF personnel.

2. USAID payments to support MDF salaries do not increase the capacity of MDF to perform future infrastructure projects if these officials are not retained within MDF after the completion of the MIP

and IDP DHP projects. If these officials are retained by MDF, then MDF should have the capacity to pay these staff members without USAID's assistance.

4.2.3 Recommendations

1. Require MDF to establish an EHS Department with trained personnel on future USAID projects, with possible training included in the project. The EHS Department would have the right to shut down any project where the contractor has continuing, uncorrected EHS violations.
2. Require more specific "buy-in" by GoG on any future projects:
    a. All salaries and benefits of MDF should be the responsibility of the host government
    b. MDF should hire more experienced technical and construction management staff
    c. MDF should supply sufficient field staff to ensure that the projects are constructed in accordance with design specifications and in accordance with EHS requirements.

4.3 EVALUATION QUESTION 3

What are the broad key lessons learned to inform future efforts on how to best develop host government procurement programs?

Over the past three years, USAID has taken an active role in managing the GMIP program by:

- Retaining TT in a technical oversight and training role (much expanded subsequently)
- Using USAID's own staff of engineers to provide additional oversight
- Funding an outside contractor to provide additional construction management assistance to MDF
- Requesting the ET to review the structure and effectiveness of the projects and their impact on improving the GoG's ability to perform future, similar projects

This approach seems to have been very effective because residents in USAID-funded housing (even in only partially renovated apartments) were virtually all positive in their statements about the results of the USAID efforts.

The above approach is in significant contrast to the past EU program in Georgia of "budget support" to MDF that provided funds only, with no design or construction oversight, or training to MDF. As a result, the construction quality of the EU-funded facilities was generally poor (e.g. water leaks, poor floor quality) and there were few, even basic, amenities such as a shower pad or oven. This was reflected in the generally negative attitude of surveyed residents of the EU-funded buildings.

The MDF-designed and constructed building visited by the ET in Tskaltubo was worse than the EU building: no gas connections, no heat, no water heater, and no kitchen facilities. The ET also noted electrical code violations, with normal electrical outlets positioned near sinks and water sources. Improvised electric heat and cooking arrangements were hazardous to residents (particularly small children), and were far more expensive to operate than the USAID-provided gas appliances.

4.3.1 Findings

Based on site visits, observations and interviews with residents, the ET identified the following key lessons learned:

1. The initial emphasis of the project appeared to be on the speed of implementation: initial feasibility studies were scheduled for completion in two to three months. These studies evaluated buildings provided by MRA for use in the program. The period was considered too short by the TT Chief of Party and MDF USAID Program Manager to prepare a proper feasibility study.
2. A second area where speed was a consideration was the selection of the design-build contract for the roads and irrigation systems. The design-build model can provide significant cost and schedule

benefits to a project providing that contractors and engineers can work together in a cohesive, integrated fashion, with an understanding of the relative risks and duties of each.

Often, these considerations necessitate prior experience with design-build contracts and, optimally, that the engineers and contractors have worked together before. It appears that this was not the case, particularly on the irrigation projects. In interviews with MDF's USAID Program Director, the ET raised questions about experience and capacity in Georgia to perform design-build projects. The Program Director did not believe that such experience or capacity existed in the country.

3. The USAID model of active oversight (TT and USAID staff) produced far superior results to the "budget support only" EU model in terms of the quality of construction, and in resident satisfaction.
4. The higher per-unit cost of the USAID apartments meets the standard of "durable" in the IDP DHP project. Qualitatively, the ET felt that USAID-funded facilities actually became permanent homes, while the EU, and particularly MDF, apartments felt like little more than temporary housing, needing another input of resources for utility improvements, basic kitchen and bathroom improvements, and an effective and economical heat source.
5. While construction was halted on a number of occasions for short periods, USAID does not appear to have used its ability sufficiently often to shut down unsafe practices. This was evidenced by a number of serious uncorrected EHS violation reports viewed by the ET that should have necessitated further action against the contractors.

4.3.2 Conclusions

1. The initial feasibility studies evaluating potential IDP buildings were required to be performed too quickly (two to three months) to properly evaluate the numerous problem buildings proposed by MRA for the project.
2. The design-build procurement process, selected for the roads and irrigation projects, is well suited to fast-track projects and often results in lower overall costs and one-point responsibility. However, the capacity in Georgia for contractors to execute these innovative contracts does not appear to exist. Many problems were noted by USAID and TT officials on the irrigation projects in particular, and the more conventional design-bid-build procurement was used for the remaining projects.
3. Alternate contracting techniques (such as EU's budget support only) result in a complete loss of control on the scope and quality of the finished product by the donor, manifested by examples including poor quality and unusable handicap access, code violations, and dissatisfied beneficiaries.
4. USAID did not compel MDF to act on prevention of unsafe construction management practices sufficiently to correct a number of EHS violations noted by TT and the Voyants construction management firm on a continuing and extended basis.

4.3.3 Recommendations

1. Consider VE studies at the 30% design phase for all projects greater than, say $10 million. While the MIP and IDP DHP projects were a series of smaller procurements totaling over $50 million, the overall program may have benefitted from a VE analysis of the overall project.
2. Use design-build structures and other innovative procurement techniques only with international tenders, or in special situations requiring quick action such as life-threatening situations or public-health emergencies.
3. Retain the approach used by USAID in the implementation of future infrastructure projects. This includes extensive technical oversight of planning and design activities, training of host country ministry staff, and an active role in overseeing construction means and methods. Further, continue to emphasize a more "big picture" approach as taken in the GMIP program, specifically providing a

"beginning-to-end" scope from project feasibility through privatization assistance with the final product. Another "big picture" example from the GMIP program to be considered in future programs is the use of the complementary New Economic Opportunities Program (NEO) that provides training and funding of maintenance activities in the rehabilitated buildings to maintain the benefits already realized.

4. Require sufficient resource commitment by GoG, or any host country government, to allow the host government to assume a sustainable position in future infrastructure projects.

ANNEXES

ANNEX 1: LIST OF DOCUMENTS REVIEWED

1. August 8, 2009 Ministry for Regional Development and Infrastructure Task Force for Regional Development In Georgia "Outline of the Strategy for Regional Development in Georgia"
2. 2009 Hydrosphere Report to USAID "Project for Rehabilitation of Tiriphoni and Saltvisi Irrigation Systems—Explanatory Note, Estimate and Working Drawings"
3. August 12, 2010 "Assistance Agreement between United States of America and Georgia for Improved Infrastructure, Economic Opportunities, and Support for Internally Displaced Person"
4. February 18, 2011 Implementation Letter No. 3 "Improved Economic Infrastructure Program"
5. February 18, 2011 Implementation Letter No. 4 "Internally Displaced Persons (IDP) Durable Housing Program"
6. June 10, 2011 "Municipal Infrastructure and IDP Housing Rehabilitation Project Rapid Appraisal Report" by TetraTech
7. July 11, 2011 Internal TT Memo "IDP Housing rehabilitation Project (93 buildings) "Reviewing feasibility data and information gained during site visits regarding 93 IDP buildings conducted by Ltd "GEO"
8. 2011 TT Road Reports Mtskheta, Dusheti, Kareli and Oni
9. February 2, 2012 TT Memo Mamuka Gvilava Environmental Specia;ist to Jeff Fredericks TT COP "GMIP Housing PEA Update; Environmental Inspection Report of Medical Facilities in Zestaponi (January 31, 2011)"
10. March 2, 2012 Memo from Brad Carr USAID to Jeff Fredericks TT Chief of Party "Project Selection for Component 1—Rehabilitation of Municipal Infrastructure"
11. Internal TT Document "Chart representing results of site visits conducted by Tetra Tech team (34 IDP Buildings)"
12. May 6, 2012 TT Memo to Brad Carr USAID "Health and Safety Plan for the Municipal Infrastructure and IDP Housing Rehabilitation Project"
13. May 20, 2012 TT Memo to Brad Carr USAID, "Construction Management Guidelines and Quality Assurance / Quality Control Plan for the Municipal Infrastructure and IDP Housing Rehabilitation Project"
14. May 25, 2012 "Gap Analysis in GMIP Construction Management (CM) Practices" by TetraTech
15. July 30, 2012 TT Memo to Brad Carr USAID "Quality Management System – QA/QC Plan (Draft) for the Municipal Infrastructure and IDP Housing Rehabilitation Project"
16. TetraTech Annual Work Plans, 2011 and 2012
17. TetraTech Quarterly Progress Reports
18. TetraTech weekly EHS reports for various projects
19. TetraTech Annual Reports
20. 2014 USAID/Georgia Maps: "Municipal Infrastructure and IDP Housing Project for 20111-2014 Period," "Rehabilitation of Tiriponi and Saltvisi Irrigation General Plan 2011-2014," USAID Infrastructure Project Implementation Subcontractors Structure 2011-2014

ANNEX 2: EVALUATION DESIGN MATRIX

Sub-Questions	Data Collection Method(s)	Data Source(s)	Sampling or Selection Criteria	Data Analysis Method(s)
Project Achievements **SOW Question 1 –** What are the achievements of the MIP and IDP DHP projects measured against the expectations of the assistance agreement and the quality of the completed infrastructure projects?				
1a. In what way is this project new or innovative?	Site visits Direct observation Interviews Document Analysis	Stakeholders, Implementer, government officials. Project reports	Judgment Sampling	Qualitative (content)
1b. How would you rate the quality of the design and constructed infrastructure?	Site visits Direct observation Interviews Document Analysis	Stakeholders, Implementer, government officials. Project reports	Judgment Sampling	Qualitative (content)
1c. To what extent will (has) the project add(ed) to the body of sector knowledge?	Interviews Document Analysis	Stakeholders, Implementer, government officials. Project reports/ web site	Judgment Sampling	Qualitative (content)
1d. How will (has) the project alleviate (d) service constraints?	Site visits Direct observation Interviews Document Analysis	Stakeholders, Implementer, government officials. Project reports	Judgment Sampling	Qualitative (content)
1e. How has this experience and knowledge been disseminated (and at what levels?)?	Interviews Document Analysis	Implementer Project reports Website	Documented evidence	Qualitative (content)
1f. Is the unlocking of service constraints likely to be sustainable/ replicable?	Interviews	Stakeholders, Implementer, government officials. Project reports	Judgment	Qualitative (content and triangulation)
1g. Has this project (housing, roads, infrastructure) benefitted you? In what way(s)?	Mini-survey	Stakeholders	Judgment Sampling	Qualitative (content and triangulation)

Sub-Questions	Data Collection Method(s)	Data Source(s)	Sampling or Selection Criteria	Data Analysis Method(s)
Project Design **SOW Question 2 –To what extent did USAID increase the capacity of MDF to design, plan, procure, and manage contracts and implement infrastructure projects?**				
2a. What were/are the main challenges or obstacles in terms of achieving project outcomes. and	Interviews Document Analysis	Implementer, government officials. Project reports	Documented evidence, judgment	Qualitative
2b. How have they been addressed to mitigate future challenges?	Interviews Document Analysis	Implementer, government officials. Project reports	Documented evidence, judgment	Qualitative
2c. Is MDF staff now able to plan, design, and implement similar projects in the future?	Interviews Document Analysis	Implementer, government officials. Project reports	Documented evidence, judgment	Qualitative and Quantitative
2d. What is TT's perception of MDF's capabilities to implement similar projects and other infrastructure projects?	Interviews Document Analysis	Implementer, Project reports TT document "Construction Management Gap Analysis"	Documented evidence, judgment	Qualitative
2e. Was MDF provided with tools such as specifications, training materials, procedures, and other necessary information to perform future infrastructure projects?	Interviews Document Analysis	Implementer, government officials. Project reports	Documented evidence, judgment	Qualitative and Quantitative
2f. Specifically, which tools were provided to MDF as part of the project?	Interviews Document Analysis	Implementer, government officials. Project reports	Documented evidence	Qualitative and Quantitative
2g. Have the Project QA/QC procedures been effective in facilitating project quality? Have these procedures been formally adopted by MDF for other projects?	Interviews Document Analysis	Implementer, Project monitoring reports	Documented evidence, judgment	Qualitative and Quantitative

Sub-Questions	Data Collection Method(s)	Data Source(s)	Sampling or Selection Criteria	Data Analysis Method(s)
Lessons Learned **SOW Question 3 – What are the broad key lessons learned that can inform future designs on how best to develop the capacity of host government procurement systems?**				
3a. Is there evidence of measurable improvement in utility (or beneficiary institution) performance resulting from MDP?	Interviews Document Analysis	Implementer, Government Officials	Documented evidence Inspections & judgment	Qualitative and Quantitative
3b. If so, how is this leading to improvements in service and customer satisfaction?	Interviews Focus Group Discussions	Implementer, Government Officials, Beneficiaries	Documented evidence, judgment	Qualitative
3c. Are results and lessons adequately identified & documented in a format that can facilitate replication elsewhere?	Interviews Document Analysis	Implementer Project reports Website	Documented evidence, judgment	Qualitative and Quantitative
3d. How is MDP using national network to publicize lessons learned?	Interviews Document Analysis	Implementer, Government Officials Website	Documented evidence, judgment	Qualitative and Quantitative
3e. Have difficulties and challenges been adequately documented and measures taken to alleviate them (and that lessons have been learned as a result)?	Interviews Document Analysis	Stakeholders, Implementer	Documented evidence, judgment	Qualitative and Quantitative
3f. What could be changed in the original concept, design and implementation in order to avoid identified difficulties that could be avoided on future projects?	Interviews, Document analysis	Implementer, Government Officials, Beneficiaries	Judgment, Documented evidence	Qualitative

ANNEX 3: LIST OF KEY INFORMANT INTERVIEWS

Date	Name	Gender	Position	Organization
Key Informant Interviews				
September 18, 2014	Glen Wills	Male	Chief of Party	TetraTech
September 18, 2014	Richard Saunders, Andrew Webb, & Kazi Kakimur Rashid	Male	Project Director/Site Manager/Project Manager	Voyants, Saunders, Bets JV
September 18, 2014	Guy Hovey and Nino Khokhobaia	Male/ Female	Project Director/Project Coordinator	Danish Refugee Council
September 20, 2014	Murad Ablotia	Male	Department Head of IDP Issues	MRA
September 23, 2014	George Santeladze	Male	Head of MRA Regional Office--Kutaisi	MRA
September 30, 2014	George Kokochashvili and Gocha Lobzhanidze	Male	Engineer Specialist / Engineer Specialist	USAID
September 30, 2014	Kartlos Ghviniashvili	Male	USAID Program Manager	Municipal Development Fund
September 16, 2014	Lela Shanidze	Female	USAID Program Procurement Officer	Municipal Development Fund
October 1, 2014	Monika Gorzelanska	Female	Deputy Director—Economic Growth Office	USAID
October 1, 2014	Jonathan Chappell	Male	Contracting/Agreement Officer	USAID
October 2, 2014	Brad Carr	Male	Original Program COR	USAID

Date	Name	Gender	Location	Comment
	Informal Beneficiary Interviews			
Sept 20, 2014	Name unknown	Female	Queen Tamar St., Dusheti	"Very satisfied with the roads"
Sept 20, 2014	Names (2) unknown	Females	Dadiani St, Dusheti	"Bless you for doing this."
Sept 22, 2014	Naira Benidze	Female	6 Rustavili St, Apt 7 Zestaponi	I'm very grateful to USAID for this."
Sept 22, 2014	Ketara Kuashvili	Female	6 Rustavili St, Apt 10 Zestaponi	"I have a disabled son. My apartment has humidity and my floor has a problem." (A contractor punch-list item)
Sept 22, 2014	Inga Chargeishvili	Female	142 Uzhadze St, Apt 25 Zestaponi	"We are from Galiripshi, Abkhazia. We moved in 4 month ago and are very happy here."
Sept 22, 2014	Nazo Gulordava	Female	142 Uzhadze St, Apt 38 Zestaponi	"I am from Abkhazia. I was allocated only 1 room for my son and I and it's too small."
Sept 23, 2014	Nino Laliashvili	Female	3 Dadiani St, Apt 6 Kutaisi	"I lived with relative before. I am from Abkhazia. I live with my disabled son and I am happy. We do have a moisture problem."
Sept 23, 2014	Names (3) unknown	Female	3 Lezhava St (Young Tourist House) Kutaisi	"We are very unhappy here, but we could not accept the USAID program because we could not afford to move out during construction and because the rooms would be too small."
Sept 23, 2014	Names (3) unknown	Female	14 Bukia St (Collective Center) Kutaisi	"We are generally happy with building, but want the plastic doors changed to steel doors." We have water problems behind the building."
Sept 23, 2014	Temali Girguliani	Female	3 Shervashidze St Apt 10 (Former infant clinic) Kutaisi	" We are happy to see the work going on and we will be happy when everything is finished."
Sept 24, 2014	Izolda Ugrekhehdze	Female	9 April St Block 4, Apt 3 Tskaltubo New Settlement **(EU Funded)**	"Our space is too small (4 people in 2 rooms; 45 sq m) and we have no cooker."
Sept 24, 2014	Letodiani Elguia	Male	6 Eristari St. Apt 3 (Former hospital) Tskaltubo **(MDF Funded)**	"I live in a 1 room apartment. MRA promised to provide gas a year ago, but I have none. Electricity is too expensive for me."
Sept 24, 2014	Mzevinar Vigliani (Condominium leader)	Female	9 April III, Apt 2 (Former Building of Statistics) Tskaltubo **(USAID Funded)**	"We are very happy with our apartment. We are also very happy that our monthly heating bills with gas are much lower now: 5 GEL in summer; 45 GEL in winter." " WE do have a problem with our social assistance because of the apartment. USAID said they would help with this."
Sept 25 2014	George Bendianislioli	Male	Oni Water Treatment Plant and on 9 streets, Oni	"People are very satisfied with the water supply and with the new streets."

ANNEX 4: LIST OF QUESTIONNAIRES

Interview Script—USAID PERSONNEL

Background

Date	
Name of person interviewed	
Gender	
Title	
Organization	
Region and district of the organization	
Direct experience working with MDP?	
What was the nature of the interviewee's relationship with MDP?	

USAID MIP and IDP DHP Project Developers

1. How was the MIP and IDP DHP program initially conceived?
2. How was specific portfolio of activities identified?
3. Was some sort of buy-in required by host government?
4. If yes, what sort of buy in? (Matching funds, establishing national program office, etc.)
5. What other programs and donors were viewed to be possibly complementary to the MIP AND IDP DHP program?
6. How was the MIP AND IDP DHP program viewed to leverage on these other programs?

MIP and IDP DHP Project Implementers

1. Describe your involvement in the project to this point.
2. Describe any initial obstacles to implementing the program, if any.
3. To what extent, how, and at what level (local, country) has MIP and IDP DHP added to the body of sector knowledge and engendered a learning agenda about how to alleviate service constraints?
4. How would you characterize "buy in" by the local communities to the goals and specifics of the MIP and IDP DHP project?
5. Has MIP and IDP DHP been effective at integrating other development activities in a way that maximizes development impact and aid effectiveness? If so, how?
6. What are the opportunities to increase the impact and enhance the implementation and management of the MIP and IDP DHP Project over its remaining term, if any?
7. How has the project added to sector knowledge in Georgia?
8. Does the program leverage successfully on other USAID and other donor programs?
9. If yes, which programs and in what way?
10. Describe the main challenges in implementing the MIP and IDP DHP project and achieving the projected outputs.
11. Have the completed programs achieved their intended results?
12. Will the ongoing programs achieve their intended results?
13. What are your top priorities going forward on MIP and IDP DHP?

Interview Scripts—MDP and Contractors

INTERVIEW SCRIPT—MDF and Contractors

Background

Date	
Name of person interviewed	
Gender	
Title	
Organization	
Region and district of the organization	
Direct experience working with MIP and IDP DHP?	
What was the nature of the interviewee's relationship with MIP and IDP DHP?	

MDF and Contractors

1. Describe your involvement in the MIP and IDP DHP project to this point.
2. Describe any initial obstacles to implementing the program, if any.
3. How would you characterize "buy in" by the local communities to the goals and specifics of the MIP and IDP DHP project?
4. Has MIP and IDP DHP been effective at integrating other development activities in a way that maximizes development impact and aid effectiveness? If so, how?
5. What are the opportunities to increase the impact and enhance the implementation and management of the MIP and IDP DHP Project over its remaining term, if any?
6. How has the project added to sector knowledge in Georgia?
7. Does the program leverage successfully on other USAID and other donor programs?
8. If yes, which programs and in what way?

9. Describe the main challenges in implementing the MIP and IDP DHP project and achieving the projected outputs.
10. Has MIP and IDP DHP's project focus resulted in addressing access to basic services and public health concerns where there is the greatest risk or benefit?
11. Over the course of MIP and IDP DHP, have activities have been identified that were not envisioned at the onset of the project. How have these activities contributed to program objectives? If so, how?
12. When this project ends in 2014, which facets of the program will be sustainable without additional assistance? Are there measures that MIP and IDP DHP can take now to assure and improve sustainability?

Interview Scripts—National/Local Government Officials

NATIONAL GOVT INTERVIEW SCRIPT

Background

Date	
Name of person interviewed	
Gender	
Title	
Organization	
Region and district of the organization	
Direct experience working with MIP and IDP DHP?	
What was the nature of the interviewee's relationship with MIP and IDP DHP?	

Stakeholders—National/Local Government Officials

1. Describe your involvement in the MIP and IDP DHP project to this point.
2. Describe any initial obstacles to implementing the program, if any.
3. What are the overall perceptions of beneficiaries of the MIP and IDP DHP program? What level of engagement and ownership is demonstrated by local communities?
4. Does the MIP and IDP DHP program leverage successfully on other USAID and other donor programs within Georgia?
5. If yes, which programs and in what way?
6. Describe the main challenges in implementing the MIP and IDP DHP project and achieving the projected outputs.
7. In general, what has been the role and impact, if any, of MIP and IDP DHP on:
    a. Improved access to water and sanitation services in the project areas?

b. Contributing to sustainable solutions in these areas?

8. What are the key changes in conditions that took place in these areas as a result of MIP and IDP DHP activities?

9. Did you or members of your staff participate in any training events, seminars, etc.?

10. What training was received?

11. How effective was MIP and IDP DHP training? What in your opinion were the best aspects of the MIP and IDP DHP training?

12. In which areas would you like to see more training?

13. When this project ends in 2014, which facets of the program will be sustainable without additional assistance? Are there measures that MIP and IDP DHP can take now to assure and improve sustainability?

ANNEX 5: SUMMARY OF FGDS AND MINI-SURVEY

Warm-up Questions

1) Please introduce yourself, what do you do for a living

Transition

1. Have the recent road improvements affected general business and economic conditions in your community?
    a. Have business and economic conditions improved since the road improvements?
    b. Have they gotten worse since the road improvements?
    c. Or, has there been no change?
    d. If conditions have changed, in what ways?

2. How have the recent road improvements affected your family?
    a. Sub-question: Affected your family's working conditions?
    b. Sub-question: affected your family's ability to travel to key locations needed for your daily life, including schools, markets, or medical facilities?

Key Questions

3. Have the recent improvements to the road affected the accessibility of medical facilities for your family? .
4. Have the recent road improvement affected the accessibility of schools for your family?
5. Have the recent road improvement affected the accessibility to markets for your family?
6. Has your business/or businesses in your community, grown due to the road improvements?
    a. Sub-question: Has employment increased or decreased in your community due to the road improvements?
    b. Sub-question: Have land values in your community changed due to the SJ road improvements? If so, have they increased or decreased?
7. Have traffic volumes near or in your community increased due to the road improvements?
8. Have you observed that migration into or out of your community has been affected by the recent road improvements? Has it increased, decreased, or no change?
9. Have the road improvements resulted in an increase in people in your community working in different settlements on a temporary/seasonal basis?

Ending

Overall, would you say that the road improvements affected your settlement positively or negatively?

Questions for non-affected IDP Focus Group

Opening [getting participants speaking and comfortable]

1. Tell us your name, where you live, what transport did you use to get here, and how long did it take you to get here?

Introductory [get participants thinking about how they use roads, what the role of roads are, etc.]

2. Have there been recent road improvements in or near your settlement, in the last 3-5 years?
    a. If so, what types of roads were improved?

Transition

3. Have recent road improvements near your settlement affected general business and economic conditions in your community?
    c. Have business and economic conditions improved since the road improvements?
    d. Have they gotten worse since the road improvements?
    e. Or, has there been no change?
    f. If conditions have changed, in what ways?
4. How have the recent road improvements affected your family?
    g. Sub-question: Affected your family's working conditions?
    h. Sub-question: affected your family's ability to travel to key locations needed for your daily life, including schools, markets, medical facilities, etc. ?

Key Questions

Have the recent improvements to the road improvements affected travel-times to medical facilities for your family? 7. have the recent road improvements affected travel times to schools for your family?
8. Have the recent road improvements affected travel-times to markets for your family?

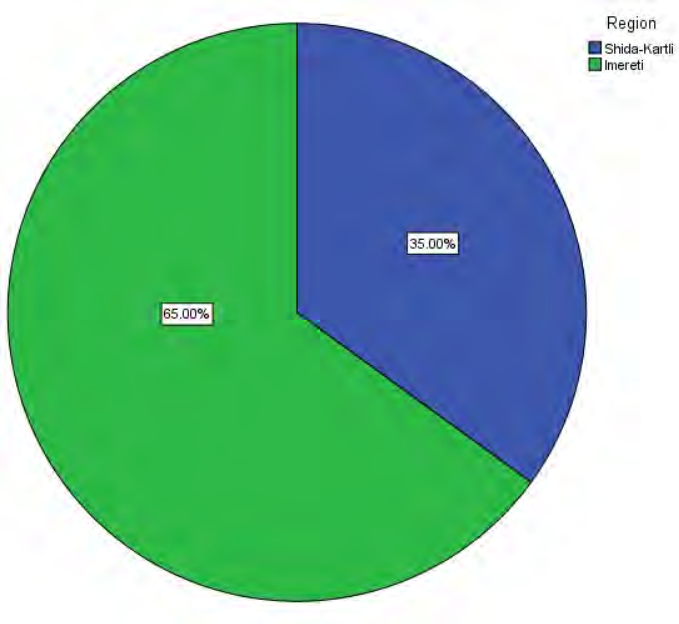
5. Has your business, or businesses in your community, grown due to completion of road improvements?
    a. Sub-question: Has employment increased or decreased in your community due to the completion of the road improvement?
    b. Sub-question: Have land values in your community changed due to the completion of the road improvements? If so, have they increased or decreased?
6. Have traffic volumes near or in your community increased due to the completion of the road improvements?
7. Have you observed that migration into or out of your community has been affected by the recent road improvements? Has it increased, decreased, or no change?
8. A. how do you understand migration ?
9. Have the recent road improvements resulted in an increase in people in your community working in different settlements on a temporary/seasonal basis?
10.

Ending

11. Overall, would you say that the recent road improvements affected your settlement positively or negatively?

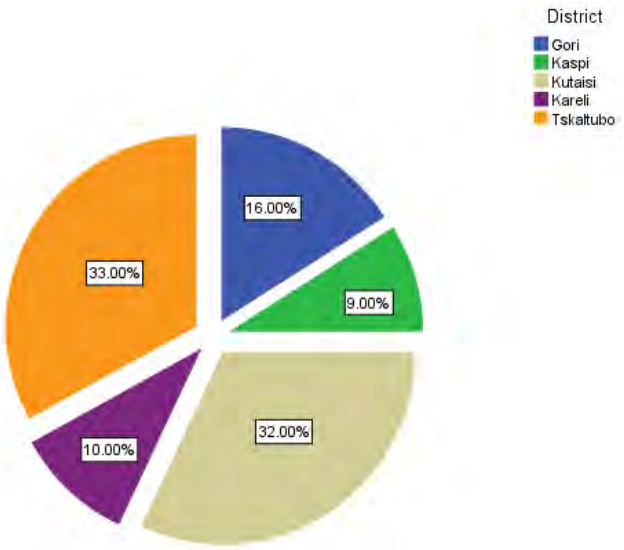
region_rcd Region

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Shida-Kartli	35	35.0	35.0	35.0
	2 Imereti	65	65.0	65.0	100.0
	Total	100	100.0	100.0	



district_rcd

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Gori	16	16.0	16.0	16.0
	2 Kaspi	9	9.0	9.0	25.0
	3 Kutaisi	32	32.0	32.0	57.0
	4 Kareli	10	10.0	10.0	67.0
	5 Tskaltubo	33	33.0	33.0	100.0
	Total	100	100.0	100.0	



settlement_rcd

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Akhalsofeli	6	6.0	6.0	6.0
	2 Berbuki	5	5.0	5.0	11.0
	3 Kutaisi	32	32.0	32.0	43.0
	4 Metekhi	5	5.0	5.0	48.0
	5 Mokhisi	5	5.0	5.0	53.0
	6 Sakasheti	4	4.0	4.0	57.0
	7 Skra	5	5.0	5.0	62.0
	8 Teliani	5	5.0	5.0	67.0
	9 Tskaltubo	33	33.0	33.0	100.0
	Total	100	100.0	100.0	

q1 gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 male	32	32.0	32.0	32.0
	2 female	68	68.0	68.0	100.0
	Total	100	100.0	100.0	

		q1 gender	
		1 male	2 female
		Count	Count
district_rcd District	1 Gori	3	13
	2 Kaspi	5	4
	3 Kutaisi	9	23
	4 Kareli	7	3
	5 Tskaltubo	8	25

Pearson Chi-Square Tests

		q1 gender
district_rcd District	Chi-square	11.355
	df	4
	Sig.	.023*,b

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the .05 level.

b. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

q3 education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4 Incomplete secondary (5-9 classes)	2	2.0	2.0	2.0
	5 Secondary (10-12 classes including general education, lyceum, gymnasium)	43	43.0	43.0	45.0
	6 Secondary vocational (technical or college)	32	32.0	32.0	77.0
	7 Higher education diploma (Bachelor, Master)	22	22.0	22.0	99.0
	8 Advanced higher education	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

q7 What were the HH expenses for the last month

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	-1 (Don't know)	1	1.0	1.0	1.0
	1 100 GEL or less	8	8.0	8.0	9.0
	2 101 - 200 GEL	27	27.0	27.0	36.0
	3 201 – 500 GEL	54	54.0	54.0	90.0
	4 501 – 750 GEL	9	9.0	9.0	99.0
	5 751 – 1000 GEL	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

q9 main source water supply of your flat/house?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Home is connected to sewerage system	54	54.0	54.0	54.0
	2 Tap at home or in yard	41	41.0	41.0	95.0
	3 Well in the yard or outside	4	4.0	4.0	99.0
	4 Spring in the yard or outside	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

q12 In your opinion, have road improvements or new road construction in the last 18 months in or near your settlement encouraged residents to open new businesses?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	-1 don't know	13	13.0	13.1	13.1
	0 No	83	83.0	83.8	97.0
	1 Yes	3	3.0	3.0	100.0
	Total	99	99.0	100.0	
Missing	System	1	1.0		
Total		100	100.0		

q13 In your opinion, have businesses in your settlement benefitted from road improvements or new road construction within the last 18 months?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	-1 don't know	15	15.0	15.0	15.0
	0 No	83	83.0	83.0	98.0
	1 Yes	2	2.0	2.0	100.0
	Total	100	100.0	100.0	

q14 Are you or any member of your household/family involved in any agricultural activities?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 No	66	66.0	66.0	66.0
	1 Yes	34	34.0	34.0	100.0
	Total	100	100.0	100.0	

q17 how well you manage to sell your products on the market

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 I do not	29	29.0	85.3	85.3
	3 I managed to sell my products partially	5	5.0	14.7	100.0
	Total	34	34.0	100.0	
Missing	System	66	66.0		
Total		100	100.0		

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
q4_1 total number of rooms	100	1	5	2.46	1.096
q4_2 number of bedrooms	100	0	3	1.29	.756
q5 What is the area of apartment/house occupied by the household	100	10	75	44.83	19.180
q6 members are in your household	100	1	7	3.55	1.500
Valid N (listwise)	100				

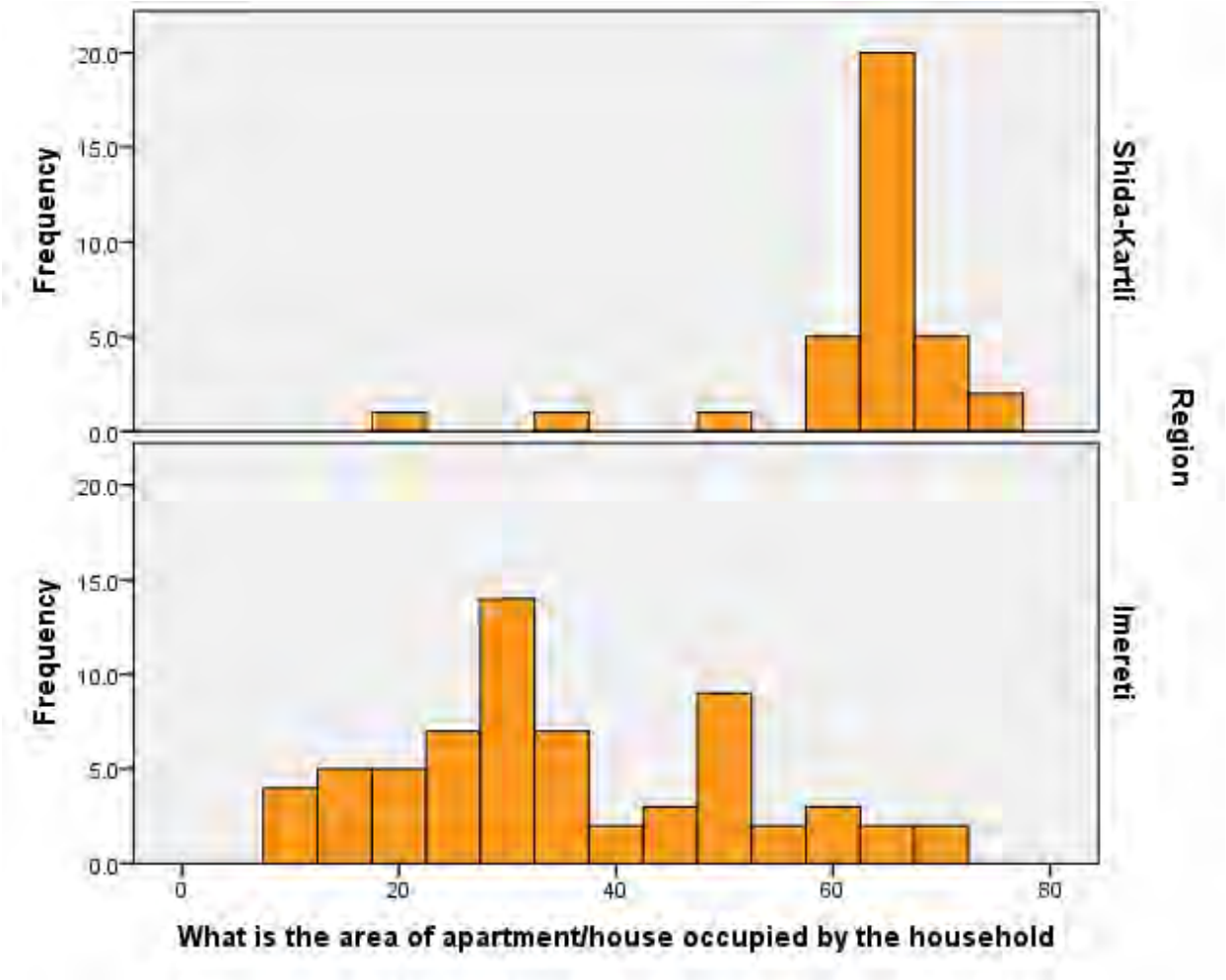
		region_rcd Region	
		1 Shida-Kartli	2 Imereti
q4_1 total number of rooms	Mean	4	2
	Maximum	5	3
	Minimum	1	1
	Median	4	2
q4_2 number of bedrooms	Mean	2	1
	Maximum	3	3
	Minimum	0	0
	Median	2	1
q5 What is the area of apartment/house occupied by the household	Mean	63	35
	Maximum	75	72
	Minimum	20	10
	Median	64	32
q6 members are in your household	Mean	4	3
	Maximum	7	7
	Minimum	1	1
	Median	4	3

Group Statistics

	region_rcd Region	N	Mean	Std. Deviation	Std. Error Mean
q5 What is the area of apartment/house occupied by the household	1 Shida-Kartli	35	62.74	10.051	1.699
	2 Imereti	65	35.18	15.666	1.943

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference
									Lower
q5 What is the area of apartment/house occupied by the household	Equal variances assumed	*16.093*	*.000*	*9.405*	*98*	*.000*	*27.558*	*2.930*	*21.743*
	Equal variances not assumed			*10.677*	*94.881*	*.000*	*27.558*	*2.581*	*22.434*


Frequency
20.0
15.0
10.0
5.0
0.0
Shida-Kartli
Region
Frequency
20.0
15.0
10.0
5.0
0.0
Imereti
0
20
40
60
80
What is the area of apartment/house occupied by the household

Multiple Response

Notes

Output Created		***02-OCT-2014 01:26:20***
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	Cases Used	***Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.***
Syntax		***MULT RESPONSE GROUPS=$comfort 'how comfortable is your apartment' (q8_1 q8_2 q8_3 q8_4 (1)) $roads_improvement 'noticed roads improvment' (q10_1 q10_2 q10_3 q10_4 q10_5 (1)) $reasons_not_Selling_Agr 'reasons not selling agriculture products' (q18_1 q18_2 q18_3 q18_4 (1)) /FREQUENCIES=$comfort $roads_improvement $reasons_not_Selling_Agr.***
Resources	**Processor Time**	***00:00:00.00***
	Elapsed Time	***00:00:00.00***

[DataSet1] Z:\mine\IRMS\ME&A\MIP\data\raw\mip_data_raw_final.sav

Case Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
$comfort[a]	85	85.0%	15	15.0%	100	100.0%
$roads_improvement[a]	49	49.0%	51	51.0%	100	100.0%
$reasons_not_Selling_Agr[a]	34	34.0%	66	66.0%	100	100.0%

a. Dichotomy group tabulated at value 1.

$comfort Frequencies

		Responses		Percent of Cases
		N	Percent	
$comfort how comfortable is your apartment[a]	q8_1 How comfortable is your apartment - Kitchen	75	33.0%	88.2%
	q8_2 How comfortable is your apartment - Bath	70	30.8%	82.4%
	q8_3 How comfortable is your apartment - Garage	4	1.8%	4.7%
	q8_4 How comfortable is your apartment - Toilet	78	34.4%	91.8%
Total		227	100.0%	267.1%

a. Dichotomy group tabulated at value 1 - own.

$comfort Frequencies

		Responses		Percent of Cases
		N	Percent	
$comfort how comfortable is your apartment[a]	q8_1 How comfortable is your apartment - Kitchen	2	6.7%	8.3%
	q8_2 How comfortable is your apartment - Bath	5	16.7%	20.8%
	q8_3 How comfortable is your apartment - Garage	1	3.3%	4.2%
	q8_4 How comfortable is your apartment - Toilet	22	73.3%	91.7%
Total		30	100.0%	125.0%

a. Dichotomy group tabulated at value 2 - shared.

$roads_Improvement Frequencies

		Responses		Percent of Cases
		N	Percent	
$roads_improvement noticed roads improvment[a]	q10_1 Have you experienced any of the following changes in the last 18 months - Road re-surfacing	35	37.6%	71.4%
	q10_2 Have you experienced any of the following changes in the last 18 months - Filling pot holes or cracks	33	35.5%	67.3%
	q10_3 Have you experienced any of the following changes in the last 18 months - New road construction	10	10.8%	20.4%
	q10_4 Have you experienced any of the following changes in the last 18 months - Road signs	4	4.3%	8.2%
	q10_5 Have you experienced any of the following changes in the last 18 months - Road painting	11	11.8%	22.4%
Total		93	100.0%	189.8%

a. Dichotomy group tabulated at value 1.

$reasons_not_Selling_Agr Frequencies

		Responses		Percent of Cases
		N	Percent	
$reasons_not_Selling_Agr reasons not selling agriculture products[a]	q18_2 reasons for not selling agriculture products - Delivery problems	1	1.6%	2.9%
	q18_3 reasons for not selling agriculture products - Not sufficient amount of harvest	32	52.5%	94.1%
	q18_4 reasons for not selling agriculture products - Irrigation problem	28	45.9%	82.4%
Total		61	100.0%	179.4%

a. Dichotomy group tabulated at value 1.

q11_1_3 After the Roads rehabilitation the travel time change of - Work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	2	2.0	15.4	15.4
	2 No change	11	11.0	84.6	100.0
	Total	13	13.0	100.0	
Missing	-8 not applicable	87	87.0		
Total		100	100.0		

q11_2_3 After the Roads rehabilitation the travel time change of - agriculture land

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 No change	36	36.0	100.0	100.0
Missing	-8 not applicable	64	64.0		
Total		100	100.0		

q11_3_3 After the Roads rehabilitation the travel time change of - Market

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	19	19.0	19.2	19.2
	2 No change	80	80.0	80.8	100.0
	Total	99	99.0	100.0	
Missing	-8 not applicable	1	1.0		
Total		100	100.0		

q11_4_3 After the Roads rehabilitation the travel time change of - Health care facility

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	24	24.0	25.0	25.0
	2 No change	72	72.0	75.0	100.0
	Total	96	96.0	100.0	
Missing	-8 not applicable	4	4.0		
Total		100	100.0		

q11_5_3 After the Roads rehabilitation the travel time change of - School or other educational institution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	4	4.0	6.9	6.9
	2 No change	54	54.0	93.1	100.0
	Total	58	58.0	100.0	
Missing	-8 not applicable	42	42.0		
Total		100	100.0		

q11_6_3 After the Roads rehabilitation the travel time change of - Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	23	23.0	24.0	24.0
	2 No change	73	73.0	76.0	100.0
	Total	96	96.0	100.0	
Missing	-8 not applicable	4	4.0		
Total		100	100.0		

q11_7_3 After the Roads rehabilitation the travel time change of - Nearest central road or major road

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	20	20.0	20.0	20.0
	2 No change	80	80.0	80.0	100.0
	Total	100	100.0	100.0	

q11_8_3 After the Roads rehabilitation the travel time change of - Highway

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 No change	63	63.0	100.0	100.0
Missing	-8 not applicable	37	37.0		
Total		100	100.0		

q11_9_3 After the Roads rehabilitation the travel time change of - Municipality Centre

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Decreased	18	18.0	25.7	25.7
	2 No change	52	52.0	74.3	100.0
	Total	70	70.0	100.0	
Missing	-8 not applicable	30	30.0		
Total		100	100.0		

ANNEX 6: STATEMENT OF WORK

Statement of Work
Performance Evaluation of Municipal Infrastructure Project and Internally Displaced Persons (IDP) Durable Housing Project

Evaluation Purpose and Use

1. Name of the Projects:	Municipal Infrastructure Project (MIP); Internally Displaced Persons Durable Housing Project (IDP DHP); and Management and Engineering Oversight (TetraTech (TT))
2. Project Number:	Implementation Letter (IL) No. 114-11-IL-003; IL No. 114-11-IL-004; AID-EDH-I-00-08-00027/AID-114-TO-11-00002 and AID-EDH-I-00-08-00027 /AID-114-TO-13-00005
3. Project Dates:	February 18, 2011 - September 30, 2014.
4. Project Funding:	$17,730,500 (MIP); $34,314,383 (lOP DHP); $4,777,396 (TT award 1) and $2,899,935 (TT award 2)
5. Implementors:	Municipal Development Fund (MDF) and TetraTech
6. AOR:	Brad Carr- Water, Irrigation, and Infrastructure Advisor

USAID/Caucasus must conduct a performance evaluation[1] of the Municipal Infrastructure Project (MIP) and the Internally Displaced Persons Durable Housing Project (IDP DHP), implemented by the Municipal Development Fund (MDF) of Georgia.

The evaluation must assess: 1) the achievements of MDF in the implementation of MIP and IDP DHP; 2) the extent to which the project management capacity of MDF was increased; and 3) the quality of the rehabilitated infrastructure.

USAID/Caucasus does not foresee implementing similar large-scale infrastructure rehabilitation activities in future. However, it is the opinion of USAID/Caucasus that the "lessons learned" to be identified and analyzed by this evaluation will serve other USAID missions that are or intend to implement infrastructure and housing rehabilitation and/or other similar activities through a host country mechanism. This evaluation must assess strengths and weaknesses of the project and provide recommendations to USAID for future planning purposes.

The evaluation design will be shared with country-level stakeholders (the Ministry of Regional Development and Infrastructure and the Ministry tor Reconciliation and Civic Equality), implementing partner (MDF) and engineering oversight contractor Tetra Tech (TT).

Summary of Specific Technical Requirements

[1] As per the 2011 USAID Evaluation Policy, "Performance evaluations focus on descriptive and normative questions: what a particular project or program has achieved (either at an intermediate point in execution or at the conclusion of an implementation period); how it is being implemented; how it is perceived and valued; whether expected results are occurring; and other questions that are pertinent to program design, management and operational decision making. Performance evaluations often incorporate before-after comparisons, but generally lack a rigorously defined counterfactual."

The Contractor must:

- Provide a draft evaluation design and work plan for review and comment prior to arrival in country.
- Meet with USAID \Vi thin two days of arrival in country to discuss and if needed, update deliverables (detailed evaluation design, and work plan) as described in Section 8-Deliverables.
- Conduct an evaluation in accordance with the USAID-approved evaluation design and work plan.
- Meet with USAID for an out-brief as noted in Section 8 - Deliverables.
- Provide an evaluation report to USAID in accordance with Reporting Guidelines under Section 8-Deliverables. The evaluation report should follow the "Criteria to Ensure the Quality of the Evaluation Report" included in Appendix I of the attached USAID Evaluation Policy.

1. Activities to be evaluated

In February 2011, USAID/Caucasus signed an Implementation Letter (IL) No. 114-11-IL-003 and IL No. I 14-11-IL-004 with MDF to fund MIP and IDP DHP. The goal of the MIP was to develop and/or repair critical infrastructure in Georgia. The goals of the IDP DHP were: 1) to provide upgrades for nearly 4,000 houses constructed by the Government of Georgia (GOG) in the IDP settlements built after the August 2008 war; and 2) to rehabilitate housing for IDPs affected by the 1990s conflict. MDF was responsible for all development or rehabilitation[2] works, including but not limited to designing or planning infrastructure activities; performing required works: implementing environmental mitigation practices, tendering, awarding and managing rehabilitation-related activities that have been outsourced to a contractor; applying Georgian and applicable USG standards and regulations to all appropriate processes and practices; and closing-out all rehabilitation activities.

Project 1: Municipal Infrastructure Project (MIP)
The project consisted of two primary components: Component I -Rehabilitation of Municipal Infrastructure ($9.57 million); and Component 2- Rehabilitation of Irrigation Canals ($8.16 million).

Component I covered infrastructure rehabilitation activities in five municipalities impacted by the 2008 conflict with Russia. Consistent with the Congressional Notification for FY 09 1207 funding approximately $9.5 million was allocated for activities directly related to infrastructure rehabilitation. In agreement between USAID and the Ministry of Regional Development and Infrastructure (MRDI), the following five municipalities were selected for assistance: I) Dusheti; 2) Mtskheta; 3) Gori; 4) Kareli; and 5) Oni. The rationale was to impact at least 60% of the population in each municipality and contribute to economic growth in these locations.

Municipalities were advised that CSAID would make funding available for rehabilitation activities subject to the following considerations:

- Evidence of civic participation in the selection and monitoring of projects through transparent and inclusive practices;
- Reasonable expectation that rehabilitated infrastructure would impact a significant portion (directly and indirectly) of municipal populations;

[2] Rehabilitation means restoration to a previous condition; repair is similar and generally indicates a lesser degree of work than rehabilitation, e.g., painting, replacing broken glass, etc.

- Reasonable expectation that rehabilitated infrastructure would contribute to economic growth or greater efficiencies;
- Commitment by appropriate government institutions (national and municipal) to maintain rehabilitated infrastructure, including budget allocations and existence of qualified personnel and required equipment; and
- Potential to leverage or be leveraged by other USAID/Caucasus-funded activities, or those of other donors.

Upon notification by MDF, targeted municipalities were invited to identify and propose to MDF no more than three infrastructure rehabilitation activities that satisfy the USAID/Caucasus criteria listed above. All activities were approved by USAID and the GOG through the minutes of a GOG Steering Committee meeting. Assessments were carried out in ranking proposed activities based on cost-benefit analysis and municipal government priorities.

Due diligence was conducted for each of the final project nominations in the form of feasibility assessments contracted through the MDF mechanism. The feasibility studies were approved in January 2012 and considered:

- Engineering, architectural, and other technical needs;
- Potential environmental impact(s) and mitigation(s);
- Anticipated social and economic impact to municipal populations;
- Expected contribution to regional economic development; and Reasonableness of estimated cost.

Activities completed as of December 31, 2013.

#	Municipality	Region	Project Title	Contract Status
1	Mtskheta	Mtskheta-Mtianeti	Rehabilitation of roads 5.038 km; 12 streets	August 2012-May 2013
2	Dusheti		Rehabilitation of roads 2.144km; 7 streets	August 2012-May 2013
3	Gori	Shida Kartli	Rehabilitation of Pushkin street 915 m.	August 2012-May 2013
4	Gori		Rehabilitation of Gorijvari road 1.476km	August 2012-May 2013
5	Kareli		Rehabilitation of Sagholasheni-Dvani 12.700m. Highway	August 2012-May 2013
6	Oni	Racha-Lechkhumi	Rehabilitation roads in Oni 3.084m, 9 streets	August 2012-May 2013

Activities to be completed by September 30, 2014:

#	Municipality	Region	Project Title	Contract Status
1	Racha-Lechkhumi	Oni	Rehabilitation of Headwork of Drinking Water on Oni for 3 400 individuals	8 August 2013 – 30 May 2014 Construction Ongoing
2	Shida Kartli	Oni	Rehabilitation of Tiriponi Saltvilsi Irrigation Channel	31 May 2012 – 31 May 2014 Construction Ongiong

Component 2- The rehabilitation of irrigation infrastructure under the MIP was approved by the MDF Supervisory Board on December 28, 2011. Consistent with the Congressional Notification of 1207 approximately $8.1 million was allocated to rehabilitate irrigation canals. The works included the renovation of the Saltvisi Irrigation System main and distributary canals (46.6 km) serving 9,722 ha; and renovation of Tiriponi Irrigation System main canal and secondary canals

(72 km) including the Karbi headworks, with direct impact up to the first crossing of the ABL serving 8,500 ha.

Project 2: IDP Durable Housing Project

The IDP DHP consisted of two components: Component 1 -upgrading water and sanitation facilities of IDP cottage settlements built after the August 2008 conflict; and Component 2- rehabilitating collective centers and empty buildings to provide apartments for IDPs affected by earlier conflict in the Abkhazia region of Georgia.

Component 1 - USAID through the MDF agreed to provide water and sewage upgrades to nearly 4,000 houses constructed by the GOG following the August 2008 conflict. Due to the emergency situation following the conflict, these houses were quickly constructed, and water and sewage infrastructure was not installed at the time of construction. USAID agreed to connect each settlement to a water system, install fixtures including showers, sinks, and toilets in each residence, and install appropriate sewage collection and treatments systems. Consistent with the Congressional Notification 1207, approximately $8.6 million was allocated for activities directly related to infrastructure rehabilitation.

Activities to be completed by September 30, 2014:

#	Municipality	Region	Project Title	Contract Status
1	Mtskheta-Mtianeti	Tsilkani	Rehabilitation of drainage/storm water system, water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
2		Frezeti	Rehabilitation of drainage/storm water system	Completion by July 30, 2014
3	Shida Kartli	Metekhi	Rehabilitation of water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
4		Teliani	Rehabilitation of drainage/storm water system Upgrade of sanitation system	Completion by July 30, 2014
5		Khurvaleti	Rehabilitation of drainage/storm water system, water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
6		Shavshvebi	Rehabilitation of water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
7		Berbuki	Rehabilitation of drainage/storm water system, water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
8		Gori (Karaleti)	Rehabilitation of drainage/storm water system, water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
9		Skra	Rehabilitation of drainage/storm water system, water supply system. Upgrade of sanitation system.	Completion by July 30, 2014
10		Mokhishi	Rehabilitation of drainage/storm water system, water supply system. Upgrade of	Completion by July 30, 2014

			sanitation system.	
11		Akhalsopeli	Rehabilitation of water supply system. Upgrade of sanitation system.	Completion by July 30, 2014

Component 2- Under the IDP Durable Housing Component 2, ten unoccupied buildings, five hospitals and 22 collective centers were selected for rehabilitation and setting up of apartments. Consistent with Congressional Notification Y 09 1207 funding, approximately $25.9 million was allocated for activities directly related to rehabilitating collective centers. The selection process to identify potential buildings for rehabilitation involved an extensive review and evaluation process. In total, 205 buildings and 36 hospitals were evaluated.

Criteria used to select buildings for rehabilitation included structural stability, estimated cost to rehabilitate, potential to connect to sewage collection and water supply systems, government ownership and clear title, and other social considerations including potential for IDPs to obtain employment in surrounding communities, and the number of IDPs households requiring durable housing in proximity to each building.

Activities completed:

#	Municipality	Region	Project Title	Contract Status
1	Kvemo Karli, Shida Kartli, Imereti	Kutaisi 1, Zestaponi 4, Tskhaltubo 1, Vani 1, Terjola 1, Marneuli 1, Kareli 1	Rehabilitation of 10 unoccupied buildings	May 2012 – December 2013

Activities to be completed by September 30, 2014:

#	Municipality	Region	Project Title	Contract Status
1	Imereti, Shida Karli, Samtskhe Javakheti	Khoni 1, Kutaisi 1, Kaspi 1, Borjomi 1	Rehabilitation of 4 empty hospital buildings	December 28, 2013 – September 30, 2014
2	Imereti, Samegrelo	Kutaisi 18, Tskhaltubo 2, Vani 1, Zugdidi 1; Tbilisi 6	Rehabilitation of 28 IDP collective centers	March 2014 – September 30, 2014

The MIP MDF implementation letters (IL) did not include any outcomes/expected results and the IDP DHP IL stated that the activity would provide improved living conditions for IDPs who are in need of durable housing with the following expected outcomes:

- Targeted IDP family dwellings are rehabilitated according to MRA standards.
- Targeted IDP family dwellings have upgraded living facilities.
- Nearly 4,000 houses in target areas have access to improved sanitation facilities as a result of USG assistance.
- People in targeted areas have access to improved drinking water.

Both ILs 3 and 4 were amended in August 2013 to extend the deadlines for the completion of work from December 31, 2013 to September 30, 2014. Due to start up, procurement and implementation delays, both MIP and DHP suffered delays.

Project 3: Management and Engineering Oversight

During the design process, USAID/Caucasus made the determination to implement all infrastructure rehabilitation and upgrade activities through MDF, a legal entity under public law of Georgia. To support the mission's need to effectively monitor and oversee procurement and payment activities, the development and acceptance of engineering designs and plans, and onsite rehabilitation and upgrade activities, USAID/Caucasus made the determination to outsource monitoring and oversight support to an institutional contactor. As a result, USAID/Caucasus awarded an engineering oversight task order to TetraTech (TT). The purpose of the award to TT was to acquire services to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control efforts to ensure that selected activities were implemented effectively and in accordance with U.S. and Georgian standards. The monitoring and oversight role encompassed all areas of project intervention, from procurement planning to final acceptance. TT's role was to ensure that infrastructure deliverables were effective, efficient, and sustainable, and that implementation was carried out within allowable budgets, time restraints, and within accepted quality standards.

The first task order covered the period from May 2011 through July 2013. The second award is ongoing and covers the period July 2013- December 2014.

2. Purpose of the evaluation and key evaluation questions to be addressed

The MIP and IDP DHP are being implemented by the host-country organization, MDF. This evaluation must offer important lessons learned on the implementation modality, in line with the USAID/Forward procurement reform agenda. The evaluation must assess: 1) the impact of the MIP and IDP DHP projects on project beneficiaries; 2) sustainable improvement (if any) in the capacity of MDF to implement similar infrastructure rehabilitation and upgrade activities; 3) the quality of rehabilitated and upgraded infrastructure. The evaluation must also take into consideration the working relationship with the MDF and the MRA[3] as a counterpart in coordinating apartment assignments for IDPs and in the selection of sub-projects (housing and water/sanitation), and how this affected project implementation and outcomes. The evaluation team must review and summarize the implementation and results achieved by this project to address the following purposes and answer the following key evaluation questions.

Goal l: Project's achievements:

1. What are the achievements of the MIP and IDP DHP projects measured against the expectations of the assistance agreement and the quality of the completed infrastructure projects? Achievements may include the positive impacts that durable housing and municipal infrastructure have had on beneficiaries, e.g., suitable apartments/homes turned over to IDPs, roads, irrigation, and water and sanitation systems, or improving their quality of life. Quality of life is defined as

[3] In January 2014, the MRA has been renamed as the State Ministry for Reconciliation and Civil Equality

dignified personal living spaces, comfort, access to basic services such as water, gas, and electricity, improved capacity to generate farm income, and other aspects. Beneficiaries are defined as IDP households that received the rehabilitated apartments and communities that benefit from rehabilitated municipal infrastructure. The quality of the completed infrastructure should be examined against the quality control documentation and requirements used by both projects.

Goal 2: Project's design:

1. To what extent did USAID increase the capacity of MDF to design, plan, procure, and manage contracts and implement infrastructure projects? The analysis of the MDF's capacity is included in the 2012 Tetra Tech "Construction Management Gap Analysis" report and will be shared with the contractor.

2. What are the broad key lessons learned that can inform future designs on how best to develop the capacity of host government procurement systems?

3. Methodology

The offeror must propose the best methods that minimize bias and provide strong evidence.

The offeror must suggest the use of various data collection and analysis methods, both quantitative and qualitative, including document review and key informant interviews with wide range of representatives from international community. The methodology for any evaluation process that involves the selection of participants (e.g. surveys, focus groups, interviews) must be clearly explained and justified.

The offeror will develop a detailed evaluation design (to be included in the proposal), including a data collection plan and drafts of data collection tools. A draft of the plan and design will be shared with USAID for review and comment prior to in-country arrival. The plan will then be presented to the Mission during the in-briefing in more detail, and if needed, shall be revised based on input from USAID and other host country stakeholders. The evaluation design must be included the evaluation matrix (an illustrative evaluation matrix for this study is given below). The offeror must also explain, in detail, limitations and weaknesses of the methodology.

The offeror must also describe a data analysis plan that details the analysis of information collected; what procedures will be used to analyze qualitative data collected through key informant and other stakeholder interviews; and how the evaluation will analyze and use quantitative data.

The methods described herein are only illustrative and USAID expects that the offeror will suggest the best methods that would generate most reliable and evidence-based answers to the key evaluation questions.

Illustrative Evaluation Matrix:

Research Question	Data Source	Methodology
What are the achievements of MlP and IDP DHP projects measured against the expectations of the assistance agreement and the quality	Assistance Agreement between USAID and the Government of Georgia; Implementer progress reports; MIP IDP DHP quality	Document review; KIIs (USAID engineers, Regional COR, host country – MRA/MRDI/MDF, beneficiaries) Mini-survey or FGD

of the completed infrastructure projects?	control documentation/requirements; Bidding documentation; Individual interviews; Site visits	w/beneficiaries of projects; IDPS and rural communities; Individual interviews with residents and municipality representatives; site visits to MIP and DHP infrastructure sites
To what extent did USAID increase the capacity of the Municipal Development Fund to design, plan, procure, and manage contracts and implement infrastructure projects?	Baseline analysis in the 2012 TetraTech report "Construction Management Gap Analysis"; Implementer reports; Meetings minutes; Individual interviews; Bidding documents; MDF operational procedures.	Document review Key informant interviews
What are the broad key lessons learned that can inform future designs on how best to develop the capacity of host government procurement systems?	Implementer reports; Meetings minutes; Individual interviews	Key informant interviews (USAJD engineers and Regional Contracting Officer, host country - MRA/MRDIIMDF, beneficiaries, etc.); Site visits/observation; Document review

4. Work Location

Tbilisi and selected Georgian regions, and the US. The teams will travel outside the capital as needed (Shida Kartli, Imereti, Samegrelo, Kvemo, Kartli) in order to meet with key players in diverse parts of the country and to get a better sense of the overall context within Georgia.

5. Summary of skills and qualifications of the evaluation team

The Team Leader (international) is responsible for the final evaluation. He/she will have a minimum of seven years' experience conducting evaluations in developing countries, ideally in the areas of infrastructure improvements, social soundness/impact of development projects, and institutional capacity-building. The team leader must have a master's level of education in a relevant field (engineering, construction). Experience in Georgia and/or in the Europe and Eurasia region is highly desirable. Thorough knowledge of procurement principles and prior work experience in preparing and/or reviewing engineering designs, bidding/procurement/contracting documentation related to construction is required. Thorough knowledge of organizational development principles is required. The team leader is responsible for the day-to-day management of the team, evaluation design, work plan development, data collection and synthesis, presentations, and a draft and an interim/final report.

One locally hired specialist with a minimum five years' experience carrying out evaluations or assessments, ideally in the areas of infrastructure improvements, social soundness/impact, and/or institutional capacity-building. A master's degree in engineering or social studies is required. Thorough knowledge of organizational development principles is required. Prior experience of working with international donor organizations is desirable. The ability to communicate in English is a requirement.

The team of consultants is responsible for producing a final evaluation report. The evaluation report should follow the "Criteria to Ensure the Quality of the Evaluation Report" included in the Appendix I of the USAID Evaluation Policy attached to this solicitation.

In addition to technical experts, the team may hire one local individual with excellent spoken and written English and experience interpreting/translating for international donor programs. This individual is responsible for providing translation and logistical support to the assessment team members including, but not limited to, scheduling appointments and arranging transportation.

6. Performance period

The following levels of effort are illustrative and should serve only as an example of the staff that may be mobilized under this Task Order. These levels may not reflect the actual level of effort contracted, and the contractor will be expected to submit its own estimate of the level of effort needed to fulfill the objectives.

	Total number of work days	Number of work days in the US	Number of work days in Georgia
International Technical Expert (team leader) – level 1	28	9 (three before and six after to visit to finalize the evaluation	19
Local engineer and evaluation consultant – level 2	22	0	22 (including 3 days to finalize the evaluation)
Translator – Level 3	19	0	19

The contractor must initiate Washington-based work by reading reports and familiarizing him/herself with the projects, beginning the effective date of the contract for three days.

The contractor must visit Georgia once. The team leader's visit will commence no later than on August, 20 14 for approximately 19 workdays. It is expected that most of the visits will be in the regions outside of the capital.

A six-day work week will be authorized in Georgia with no premium pay.

7. Deliverables

The contractor will be required to provide USAID with the following deliverables:

a. Detailed evaluation design and work plan: the offeror must include in the proposal the proposed research design and what methods they will use to get answers for each evaluation question and for each project to be evaluated. The evaluation design must include a detailed evaluation matrix (including the key questions, methods and data sources used to address each question and the data analysis plan for each question), draft questionnaires and other data collection instruments or their main features, known limitations to the evaluation design, and a dissemination plan. The evaluation design must also include specific sub-questions for each evaluation questions. The detailed evaluation design must be submitted for review to the Mission Evaluation Mechanism (MEM) Task Order Contracting Officer's Representative (TOCOR) for approval prior to arrival in

country. This evaluation design will be presented during an in brief meeting with USAID upon arrival in-country, and if needed, revised based on input from USAID and other host country stakeholders. Unless exempted from doing so by the TOCOR. The design will be shared with country-level stakeholders as well as with the implementing partners for comment before being finalized. The work plan must include the anticipated schedule and logistical arrangements and delineate the roles and responsibilities of members of the evaluation team.

b. In-brief with the mission: within two days of arrival in country, the contractor will present the agreed upon final design plan and work plan.

c. Conduct fieldwork: The in-country evaluation must expand upon the analysis in the desk review and in the facilitated discussion through methods proposed by the evaluation team that might include interviews with focus groups of sub-contractors, beneficiaries or end-users, Georgian government, engineering companies, other private sector entities, and field visits. The evaluation team leader should spend 19 work days in-country.

d. Mission out-brief: After finishing the fieldwork, the evaluation team must present an outline (in bullets, possibly in power point or as a handout) of the evaluation report with general findings, conclusions, and anticipated recommendations. The evaluation report must follow the "Criteria To Ensure the Quality of the Evaluation Report" included in Appendix I of the attached USAID Evaluation Policy. This presentation of preliminary findings will take place two days prior to the evaluation team leader's departure from Georgia. USAID/Caucasus will review the draft summary report and submit comments to the evaluation team. The team will present their findings to USAID during a debriefing for all interested USAID staff at the end of their visit in Georgia. These findings will be presented both verbally and in a written document as a draft summary evaluation report.

e. Draft reports: The contractor must submit a draft report within 15 working days of completing the out-briefing with USAID. This document must explicitly respond to the requirements of the SOW, answer the evaluation questions, be logically structured, and adhere to the standards of the USAID Evaluation Policy of January 2011, and the criteria to ensure the quality of the evaluation report. The reports must not exceed 25 pages, excluding executive summary and annexes.

f. Final report: The contractor must incorporate USAID's comments and submit the final report to USAID/Caucasus within five working days following receipt of comments on the draft report. The final evaluation report must include an executive summary, introduction, background of the local context and the projects being evaluated, the main evaluation questions, the methodology or methodologies, the limitations to the evaluation, major findings, conclusions, and recommendations. The reports may not exceed 25 pages, excluding the executive summary and annexes. The contractor must make the final evaluation report publicly available through the Development Experience Clearinghouse at http://dec.usaid.gov within 30 calendar days of final approval of the formatted report with USAID consent. Both final reports must be presented in three bound copies and an electronic version in PDF format on a compact disc. In case the final evaluation report includes sensitive information as determined by the TOCOR, submission of a "sanitized" version which can be used as a public document may be necessary.

g. Evaluation data: All records from the evaluation (e.g. interview transcripts and summaries, etc.) must be provided to the evaluation TOCOR. All qualitative data collected by the evaluation team must be provided in an electronic file in easily readable format agreed upon with the TOCOR. The data must be organized and fully documented for use by those not fully familiar with the project or the evaluation. USAID will retain ownership of the survey and all datasets developed.

Reporting Guideline

The format for the final evaluation report is as follows:

1. Executive Summary –summarizes key points, concisely states the purpose, background of the project, main evaluation questions, methods, findings, conclusions, recommendations and any lessons learned; should be sufficiently detailed, yet brief, to serve as a stand-alone product (3-5 pp)
2. Introduction-state the purpose, audience, and outline of the evaluation (1 pp)
3. Background-provide a brief overview of the project and the study implemented (1-2 pp)
4. Methodology- the evaluation methodology shall be explained in the report in detail. Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology. Greater detail can be included in the appendices (2-3 pp);
5. Findings/Conclusions/Recommendations--explicitly answer each evaluation question; the report should distinguish between findings (the facts), conclusions (interpretation of the facts), and recommendations (judgments related to possible future programming) (10-15 pp); however it should be clear what is the link between them;
6. Lessons Learned (if not covered in findings, conclusions and recommendations) (2-3 pp);
7. Annexes – annexes must include this statement of work and its modifications (if any): any statements of differences" regarding significant unresolved difference in opinion by funders, implementers, and/or members of the evaluation team; a glossary of terms; sources of information, properly identified and listed; clear documentation of schedules, meetings, interviews and focus group discussions, and any tools used in conducting the evaluation, such as focus group scripts or questionnaires, checklists and discussion guides used; and signed disclosures of conflict of interest. The evaluation design should also be attached to the report.

The report format should be presented in Microsoft Word and use 12-point type font throughout the body of the report, using page margins 1" top/bottom and left/right. The body of the report should ideally be within 20-25 pages, excluding the executive summary, table of contents, references and annexes. The final report must follow USAID branding and marking requirements.

Per the USAID evaluation policy, draft and final evaluation reports will be evaluated against the following criteria to ensure the quality of the evaluation report.[4]

- The evaluation report should represent a thoughtful, well-researched and well organized effort to objectively evaluate what worked in the projects, what did not and why.
- Evaluation reports shall address all evaluation questions included in the statement of work.
- The evaluation report should include the statement of work as an annex.
- Evaluation methodology shall be explained in detail, and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex in the final report.

[4] http://www.usaid.gov/sites/default/files/documents/1868/USAIDEvaluationPolicy.pdf

- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information shall be properly identified and listed in an annex.
- Recommendations shall be supported by a specific set of findings.
- Recommendations shall be action-oriented, practical and specific, with defined responsibility for the action.

8. Logistic support

USAID/Caucasus will provide an initial list of in-country contacts prior to the team's arrival but will not assist in the logistics of appointing meetings. Hence, the Mission will not be responsible for arranging logistics for the evaluation team.

The offeror must suggest how they plan to arrange translation, transportation, and logistical support to the evaluation team.

9. Projects Documents for review

The TOCOR, through the Mission's Economic Growth office and the AOR of MIP and IDP/DHP will put the contractor in contact with its implementing partner and may provide help with a small number of meetings (such as meeting with USG agencies). To the extent possible, relevant reports and other project documentation will be provided by the Mission to the contractor prior to travel to Georgia. These documents are:

1. Implementation Letters 3 and 4
2. MDF and TetraTech annual, quarterly, and weekly reports
3. TetraTech work plans
4. Studies/assessments.
5. Other projects documents

10. Other requirements

The evaluation team must be familiar with USAID's Human Subject Protection Policy and USAID's Evaluation Policy (http://www.usaid.gov/evaluation). The evaluation team must provide adequate training for its survey staff on survey methodology, USAID's survey regulations, other relevant regulations, and the data collection plan.

The contractor has the responsibility to safeguard the rights and welfare of human subjects involved in the survey research supported by USAID. USAID has adopted the Common Federal Policy for the Protection of Human Subjects, Part 225 of Title 22 of the Code of Federal Regulations (http://www.usaid.gov/policy/ads/200/200mbe.pdt). Recipient organizations must familiarize themselves with the USAID policy and provide "assurance'· that they will follow and abide by the procedures of the Policy.