

Terms of Reference

Project Performance Assessment

Rural Development Programme for Mountainous and Highland Areas

Republic of Georgia

I. Background

1. The Independent Office of Evaluation of IFAD (IOE) will undertake a project performance assessment (PPA) of the Rural Development Programme for Mountainous and Highland Areas (RDPMHA) in Georgia 2013. The PPA is a project-level evaluation aiming to: (i) provide an independent assessment of the overall results and impact of a project; and (ii) generate findings and recommendations for the design and implementation of on-going and future operations within the country.
2. A PPA is conducted as a next step after a project completion report validation (PCRv) done by IOE. The PCRv serves to provide: (i) an independent verification of the analytical quality of the PCR; (ii) an independent review of project performance and results; and (iii) key findings and lessons learned for further synthesis and systematization exercises. A PPA includes country visit in order to fill in information gaps identified by the PCRv.
3. The PPA will be undertaken in line with the IFAD Evaluation Policy¹ and will apply the evaluation criteria outlined in the IFAD Evaluation Manual.² In view of the time and resources available, the PPA is generally not expected to undertake quantitative surveys, rather adds analysis based on interviews at IFAD headquarters, interactions with stakeholders in the country, and direct observations in the field. As such it relies necessarily on the data available from the project monitoring and evaluation system.
4. **Country context.** Georgia is a lower middle income country (USD 2 530 per capita GNI) with a population of about 4 million, of which 47 per cent live in the rural areas. Agricultural production in Georgia is predominately subsistence and semi-subsistence. Agriculture accounted for about 10 per cent of the GDP in 2010. Small family farms occupy 85 per cent of the agricultural land. With stagnant agricultural production and rising domestic demand for food, Georgia has become a net food importer, whilst agricultural exports have been badly affected by two wars and a Russian trade embargo. The poverty rate stood at between 17 – 20 per cent in 2009-2010.
5. **Project description.** The Rural Development Programme for Mountainous and Highland Areas (RDPMHA) was designed as a joint project for Georgia and Azerbaijan. Under this project, IFAD approved loans of USD 8 million for Georgia and USD 9 million for Azerbaijan. The implementation in the two countries were separated, therefore, it was considered as an individual project in each country.
6. The project was approved by IFAD's Executive Board in 2000, and implemented in Georgia from 2001 to 2011. The implementation was suspended from 28 July 2006 to 6 June 2007, due to severe implementation difficulties and possible fraud. After the Government had fulfilled the majority of the conditions imposed by IFAD to lift suspension of the loan, the project was redesigned and the implementation was resumed from 2008 and completed in 2011, with twice loan extensions of 18 months each.
7. The **goal of the project** was to assist people in mountainous and highland areas to improve the quality of life in a sustainable manner by increasing incomes while protecting the natural

¹ Available at: <http://www.ifad.org/pub/policy/oe.pdf>.

² Available at: http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf.

resource base and the environment. To achieve this goal, the programme's specific objectives included to:

- i. strengthen the beneficiaries' participation in the market economy and manage the natural resource base on which their livelihoods depends;
 - ii. restore economic livelihoods through improved management of the resource base and greater access to financial, technical and commercial services;
 - iii. protect and rehabilitate the environment by developing appropriate community-based institutional mechanisms; and
 - iv. bolster public capacity to respond to the needs of the mountain areas by establishing suitable institutional mechanisms.
8. **Project areas.** In the first phase, four spatially separated mountain districts were included, namely Ambrolauri, Azpindza, Dusheti, and Shuakhevi. Each district is characterised by specific climatic, ecological and economic conditions. The rationale behind the selection of districts was to pilot approaches towards mountain development for four ecologically distinct high mountain environments which should serve as a blue print for replication on a wider scale.³ In the second phase, three districts remained, but Ambrolauri was replaced by the more remote Oni District.
9. **Target groups.** The target groups of the programme were the rural population living in the programme areas with particular focus on:
- i. Small private farmers in villages above 1000 meter above sea level, i.e. people living under particularly harsh conditions;
 - ii. Particularly large families with relatively limited land resources;
 - iii. Women, particularly of de facto female headed households because of male labour migration.

II. Methodology

10. **Objectives of the PPA.** The main objectives of the PPA of RDPMHA Georgia are to: (i) assess the results and impact of RDPMHA; and (ii) generate findings and recommendations for the design and implementation of on-going and future operations in Georgia.
11. RDPMHA was selected for a PPA mainly based on the findings of the PCRV which requires further data collection and verification to generate a comprehensive assessment of the project results and impact, and also the necessity to examine the implication of rapidly changing country context for future IFAD interventions in the country.
12. **Scope.** The PPA will take account of the preliminary findings of the PCRV and further desk review, issues emerging from interviews at IFAD headquarters, and a focused mission to the country for the purpose of generating a comprehensive, evidence-based evaluation. However, the PPA will not examine the full spectrum of project activities, achievements and drawbacks, but will focus on selected key issues. Subject to the availability of time and budgetary resources, due attention will be paid to filling in major evaluative information gaps.
13. **Evaluation criteria.** In line with the evaluation criteria outlined in IOE's Evaluation Manual (2009), added evaluation criteria (2010)⁴ and IOE Guidelines for PCRV and PPA (January 2012), the key evaluation criteria applied in this PPA will include:
- i. **Relevance**, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives.

³ Appraisal report, 2000, 11.

⁴ Gender, climate change, and scaling up.

- ii. **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
 - iii. **Efficiency**, which indicates how economically resources/inputs are converted into results.
 - iv. **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. Five impact domains are employed to generate a composite indication of rural poverty impact: household income and assets; human and social capital and empowerment; food security and agricultural productivity; natural resources, environment and climate change; and institutions and policies.
 - v. **Sustainability**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
 - vi. **Pro-poor innovation and scaling up**, assessing the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction and the extent to which these interventions have been (or are likely to be) replicated and scaled up by government, private sector and other agencies.
 - vii. **Gender equality and women's empowerment**. This criterion is related to the relevance of design in terms of gender equality and women's empowerment, the level of resources committed, and changes promoted by the project.
 - viii. Besides, the **performance of partners**, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle.
14. **Data collection**. The PPA will be built on the initial findings of the PCRV. For further information, interviews will be conducted at IFAD headquarters and in Georgia. During the mission to Georgia, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews, focus group discussions with beneficiaries, and direct observations. The PPA will also make use, where applicable, of additional data available through the project's monitoring and evaluation (M&E) system. Triangulation will be applied to verify findings emerging from different information sources.
15. **Stakeholders' participation**. In compliance with the Evaluation Policy of 2011, the main project stakeholders will be involved throughout the PPA process. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the project was designed and implemented, and that opportunities and constraints faced by the implementing institutions are properly identified. Regular interactions and communications will be established with the Near East, North Africa and Europe Division (NEN) of IFAD and with the Government of Georgia. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

III. Evaluation Process

16. In brief, the PPA will involve five phases: preparation; field mission; report-writing and quality assurance; comments and revision; and communication and dissemination.
17. **Preparation**. The lead evaluator is responsible for preparing the terms of references (TOR) of the PPA and managing the evaluation process. The PCRV and further desk review provide initial findings and identify key issues to be investigated by the PPA. The draft PCRV will be

peer-reviewed within IOE, and thereafter submitted to NEN for comments before the PPA mission leaves for Georgia.

18. **Field mission.** The PPA field mission is scheduled tentatively from 24 June to 11 July 2013. It will interact with the Government, local authorities, private-sector partners, NGOs, programme staff and clients (beneficiaries), and collect information from the project's M&E system and other sources. At the end of the mission, a brief will be provided to partner ministry(ies), followed by a wrap-up meeting in Tbilisi, the capital of Georgia, to summarize the preliminary findings and discuss key strategic and operational issues to be considered in the PPA report.
19. **Report-writing and quality assurance.** At the conclusion of field visit, a draft PPA report will be prepared and subsequently submitted to IOE internal peer review for quality assurance.
20. **Comments and revision.** The PPA report will be shared with NEN and thereafter with the Government for comments. IOE will finalize the report following receipt of the Government's comments.
21. **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

IV. Key Issues for Further Analysis

22. The issues presented below are subject to changes during the PPA process, pending on data availability and feasibility for an objective assessment.
23. **Connection between country context and project design.** The PPA would identify the key challenges and opportunities in Georgia during the project period regarding implementing an integrated rural development projects, and assess the justification for a radical change in project design from over-complexity to over-simplification.
24. **Project management arrangement.** The PPA would assess the project management quality in both first and second phases, and identify the possible reasons for or proxy explanations to the results of the project management in both phases.
25. **Results of supporting social infrastructure.** Linking to the social, economic, and political context during project period and the reported implementation results of the first phase, the PPA would assess the results of focusing investments on repairing small-scale bridges, roads, and other infrastructure, and identify the actual benefits generated to intended project beneficiaries or rural poor in general.
26. **Investment in agricultural and livestock production.** Agricultural and livestock production were omitted in the project design of the second phase. Considering the low agricultural productivity and the need for national food security, the PPA would assess whether there were and will be opportunities in supporting small farm agricultural and livestock production, which could hold high potential for both poverty reduction and national food security.
27. Besides, pending on data availability, the PPA would also look at the political support to project implementation, actual function of the Programme Steering Committee, progress made in first phase, the reported weak participation of rural communities and poor groups in the second phase, and other related issues.

V. Evaluation Team

28. Mr Jicheng Zhang, Evaluation Research Analyst, has been appointed as Lead Evaluator for this PPA and will be responsible for designing and managing the evaluation, drafting parts of the report, and delivering the final overall report. He will be under the supervision of Mr Fabrizio Felloni, Senior Evaluation Officer.
29. The Lead Evaluator will be supported by a senior agriculture and irrigation consultant, Mr Michael Macklin, who will attend the mission, conduct data collection, and collaborate in drafting the report. Ms Cristina Spagnolo, Evaluation Assistant, will provide administrative support to the evaluation. The Lead Evaluator will be responsible for the full and final PPA report.

VI. Tentative Roadmap of the PPA Process

Date	Activities
May - June 2013	Preparation of the PPA
24 June – 11 July	Mission to Georgia
August – October	Report writing
8 November	Draft report for IOE internal peer review
22 November	Draft PPA report sent to NEN for comments
16 December	Deadline for NEN providing comments to IOE
10 January 2014	Transmit revised report and audit trail to NEN
10 January	Draft PPA report sent to Government for comments
7 February	Deadline for Government providing comments to IOE
14 February	Transmit final PPA report and audit trail to NEN and the Government
February - March	Dissemination and publication (completion of the PPA)