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**HICD PLUS**  
HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT

# USAID/GEORGIA HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT (HICD) PLUS PROJECT

**ANNUAL REPORT #1  
SEPTEMBER 19, 2011 – SEPTEMBER 18, 2012**

**Contract No. AID-114-C-11-00002**

**October 2012**

This report was produced for review by the United States Agency for International Development. It was prepared by Chemonics International. The views represented herein do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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# ACRONYMS

CPT	Certified Performance Technologist
CSO	Civil Society Organization
GARB	Georgian Association of Regional Broadcasters
GMU	George Mason University
GOG	Government of Georgia
GSE	Georgia State Electrosystem
HICD	Human and Institutional Capacity Development
HICD PLUS	USAID/Georgia Human and Institutional Capacity Development (PLUS) Project
HIPP	USAID/Georgia Hydropower Investment Promotion Project
IDP	Internally Displaced Person
IQS	Indefinite Quantity Subcontract
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MISO	The Association of Development and Support of Microfinance Organizations of Georgia
MOLHSA	Ministry of Labor, Health, and Social Affairs of Georgia
MOU	Memorandum of Understanding
MRA	Ministry of Internally Displaced Persons from Occupied Territories, Accommodation and Refugees
PMES	Performance Monitoring and Evaluation System
PMP	Performance Management Plan
PPS	Participant Processing Services
SMR	Office of the State Minister for Reintegration of Georgia
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

This report describes the first year of implementation of the USAID/Georgia Human and Institutional Capacity Development (HICD) PLUS project, implemented by Chemonics International. The purpose of the HICD PLUS project is to improve the performance of Georgian institutions that are important to both USAID and Georgia. The four-year project began on September 19, 2011.

The project had a successful first year. Project operations were mobilized quickly after award and, as of the writing of this report, seven different technical programs were either completed or in progress, supporting a range of Georgian partner institutions from each of USAID/Georgia's technical offices: democracy and governance, economic growth, energy and environment, and health and social development. These activities include two HICD interventions, four technical assistance programs, and one sector assessment. In addition, the project provided participant processing services to 27 exchange visitors traveling to the United States on behalf of five implementing partners. These exchange visitors reported a 100% satisfaction rate with HICD PLUS's services.

HICD PLUS is innovating in several areas, including local capacity building and monitoring and evaluation. For instance, the project hired 28 Georgian service providers (consulting companies, think tanks, research centers, etc) as subcontractors and competitively contracts them for all of the technical work the project does. Under HICD PLUS's supervision, and with appropriate mentorship and guidance, these organizations are taking the leading role in implementing activities. In this way they are learning by doing, and their success is helping develop a broad and capable pool of local firms that can provide HICD and capacity-building services to USAID, the Georgian Government, and Georgian customers in the future. The project also designed and delivered an innovative 10-module "Leading through HICD" training program to the service providers, with modules ranging from performance improvement to general business skills. Participants showed a 20% increase in knowledge.

A consultant from one of HICD PLUS's subcontractors recently became a Certified Performance Technologist (CPT), the first one in Georgia. The CPT certification is a widely-recognized standard in the HICD community and, in some senses, a prerequisite for some HICD work. The fact that a Georgian consultant has obtained the certification means not only that there is a reduced need for international consultants on some

### Main Accomplishments from Year 1

- Two HICD performance assessments completed.
- Four technical assistance programs and one sector assessment completed or underway.
- "Point-of-View" session held in Istanbul to support confidence-building measures with the disputed territories.
- 10-module "Leading through HICD" training program delivered; participants showed a 20% average increase in knowledge.
- Web-based, open-source Performance Monitoring and Evaluation System (PMES) developed.
- 27 Exchange Visitors processed; 100% satisfaction rate with project's services
- Critical Success Factors (CSF) Framework developed to provide an institutional context check for potential partner institutions.
- 28 Georgian subcontractors hired.
- HICD PLUS video created to help educate the USAID community on HICD and the HICD PLUS project.

activities, but that USAID and other potential clients can have certainty that a consultant has met certain industry standards. With HICD PLUS’s support, several other consultants are going through the application process and we expect a number of them to be certified in the coming year.

The project is also institutionalizing monitoring and evaluation, and data-driven decision-making, into the operations of its HICD partners. To support this we developed a web-based, open-source Performance Monitoring and Evaluation System (PMES) to allow institutions to track their improved performance through customized key performance indicators.

HICD PLUS is a follow-on to a similar project in Georgia, the “Focus on Results – Enhancing Capacity Across Sectors in Transition (FORECAST) program, which operated from 2007-2011. USAID’s Bureau for Economic Growth, Agriculture, and Trade, Office of Education (EGAT/ED) evaluated FORECAST in December 2010 and issued a number of recommendations to be incorporated into the follow-on project (HICD PLUS).<sup>1</sup> At every point in the past year, HICD PLUS has carefully studied the evaluation’s recommendations and incorporated them into program activities. The table below lists each of the activities and the steps HICD PLUS has taken to implement them.

<b>Recommendations from USAID’s FORECAST evaluation</b>	<b>HICD PLUS’s steps to implement recommendations</b>
Incorporating an “Institutional Context Check” in the partner organization selection process to better gauge the degree to which nominated institutions meet HICD selection criteria;	HICD PLUS developed a Critical Success Factors (CSF) Framework that is used to determine the viability of every partner institution.
Continuing building local Human Performance Technology expertise in order to allow for local organizations to be able to fully and independently provide HICD services;	HICD PLUS has engaged 28 Georgian subcontractors and uses them to implement activities. We also delivered a 10-module training program to them. One has become a CPT and several others are going through the application process.
Transferring Human and Institutional Capacity Development know-how to partner organizations and ensuring formal position descriptions allow for full utilization of this knowledge to better equip partner organizations to implement ongoing cycles of continued performance improvement;	HICD PLUS ensures that each HICD partner assigns an HICD Champion, who is a key partner during the HICD activity.
Establishing criteria for graduation from USAID Human and Institutional Capacity Development assistance so as not to diminish or reverse any performance gains already achieved;	We will establish these criteria in late 2012 or early 2013, when the first HICD partner nears the end of its HICD activity.
Requiring the HICD implementer’s requests for proposals (RFPs) for performance assessments express a straightforward desire for CPT-	All RFTOPs require either CPT-certified or HPI-certified experts, and also require that core HPT/HPI methodologies are used.

<sup>1</sup> <http://georgia.usaid.gov/node/846>

certified or HPI-certified experts and request core HPT/HPI methodologies, but not place limitations on methodologies to be proposed as additional, supplemental tools;	
Addressing frequent institutional structure and management fluctuations with host country partner organizations in order to mitigate disruptive consequences.	There have not been significant fluctuations within partner organizations in year one. When changes have occurred, the project has addressed them through dialogue. The practice of issuing multiple MOUs also supports continuity.
Maintaining a quality-assurance balance for optimal implementer staff caseload;	N/A: This is essentially a USAID responsibility.
Reducing excessive documentation and Mission approvals requirements;	HICD PLUS has worked closely with USAID to establish clear approval processes and documents that provide all parties sufficient information without becoming burdensome.
Seeking the establishment and use of internal host country partner organization performance monitoring and management systems, earlier in the Human and Institutional Capacity Development process;	HICD PLUS designed a web-based, open-source Performance Monitoring and Evaluation System (PMES) to institutionalize M&E within partner organizations. The PMES is discussed at the initial stages of the HICD activity and addressed throughout the program.
Establishing performance scoring systems that do not depend on top management to provide key mid-level performers with needed performance data related to outputs of the organization that are of value to the new management;	Key Performance Indicators are selected by HICD PLUS and the partner institution, for every level of the organizations, with lower level results rolling-up to higher-level, institutional performance.
Including core Human Performance Technology methodologies in performance assessments;	Every performance assessment is led by a CPT and the assessment is performed using core HPT methodologies
Issuing multiple MOUs, each at critical junctures in the HICD process;	HICD PLUS issues an MOU prior to beginning a performance assessment and another one prior to implementing the recommendations.
Requiring detailed descriptions of analysis of performance assessments to better inform all present and future stakeholders;	The performance assessment concludes with a detailed final report that describes all the steps taken during the activity, the main findings, and the recommended performance improvement activities. This report is shared with all relevant stakeholders.
Exploring management models that would allow Mission technical office staff to serve an activity manager role, providing further opportunity for activity integration and enhanced program activities management;	Mission technical office staff are involved in conceptualizing and overseeing all activities, and they serve as the activity manager on every activity. They also serve on the stakeholder group for all HICD activities.
Utilizing the FORECAST implementer's HICD Plan as a living document to be modified on an ongoing basis to reflect current Mission needs and priorities;	While the work plan is typically written once per year, HICD PLUS takes on new partners throughout the year and responds quickly to every new request.
Limiting the use of technical assistance experts as performance assessment team leaders, instead favoring Human Performance Technology experts;	Every HICD performance assessment is led by a CPT.

Discontinuing to practice of having the implementer produce program outputs-oriented performance monitoring plans, especially under the HICD component of the program.	The HICD PLUS PMP includes both output and outcome indicators. Through the PMES we will also be able to capture the impact of our partner's improved performance.
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The report below describes the primary activities from this first year and discusses lessons learned and recommendations. A Results Reporting Table and Financial Report are located in Annexes A and B, respectively.

## SECTION I: PROJECT BACKGROUND

The USAID/Georgia Human and Institutional Capacity Development (HICD) PLUS project complements the implementation of USAID/Georgia's assistance efforts in the democracy and governance, economic growth, energy and environment, and health and social development sectors through the development of individual skills and institutional capacity of select public entities, civil society organizations (CSOs), and other private organizations that play a strategic role in the implementation of the Government of Georgia's reform program and the Mission's development objectives. The HICD PLUS project also provides participant processing services to all of USAID's programs in Georgia.

HICD PLUS does not replace the Mission's existing technical assistance programs. On the contrary, it complements their existing technical and sectoral knowledge with capacity-building expertise to support their Georgian partner institutions. Our support strengthens the partner institutions and improves their ability to perform their functions and implement their mandates.

The intended result of the project is a demonstrable, evidence-based improvement of the institutional capacity of the select partner institutions leading to an increased level of their efficient, effective, and sustainable performance.

HICD PLUS draws on both international and local service providers to achieve the above results. The project partners with local service providers to deliver HICD and other services, thereby continuing to build and improve local expertise in the field of capacity-building and performance improvement. As a cross-cutting theme, gender is integrated into all activities of the project by identifying and addressing any gender-related disparities experienced by employees within the partner institutions or by their beneficiaries.

The project has four components:

- **HICD Interventions:** HICD is a USAID model of structured and integrated processes designed to identify fundamental causes of performance gaps in host country partner institutions, address those gaps through a wide array of performance solutions in the context of all human performance factors, and enable cyclical processes of continuous performance improvement through the establishment of performance monitoring systems. These are large, holistic activities that seek to improve the overall performance of the institution.
- **Technical Assistance and Sector Assessments:** Technical assistance and sector assessments are limited in scope and look at a specific section/role of the partner institution rather than the institution in its entirety, which is what the HICD interventions would do. Sector assessments and technical assistance may or may not be followed by further interventions, subject to Mission review and approval. Technical assistance activities are often used when a partner institution is not yet

ready to absorb an HICD intervention or when such an intervention is not necessary. Sector assessments may be an assessment or research of a specific technical sector, such as the banking sector or health care sector.

- **Participant Processing Services:** The participant processing services which the project provides to USAID programs in Georgia include services related to language testing, medical certification, health insurance enrollment, security risk inquiry, and visa processing. This is a demand-driven service and is performed in response to requests from other implementing partners.
- **Monitoring, Evaluation, and Graduation:** HICD PLUS has developed a web-based Performance Monitoring and Evaluation System (PMES) for use by each partner institution that receives an HICD intervention. The PMES will help the partner institution measure the impact of the HICD intervention and promote continuous change management. In addition, HICD PLUS also uses a project M&E system to measure the efficiency and effectiveness of each investment.

## SECTION II: HICD INTERVENTIONS

### Institutional Context Checks and the Critical Success Factors Framework

USAID's HICD Handbook notes seven main criteria for HICD partner institutions:

1. Alignment of the institution's goals with USAID objectives;
2. Institution's commitment to change;
3. Sustainability of the institution;
4. Ability and jurisdiction of the institution to make change in the areas of concern;
5. Stable leadership in the institution;
6. Dedicated resources in the institution;
7. Degree of overlap, duplication, or conflict with other USAID or donor programs.

The FORECAST evaluation also recommended that an institutional context check be done for each potential HICD partner to ensure their viability. In response to the seven criteria from the Handbook and USAID's FORECAST recommendations, HICD PLUS developed the Critical Success Factors (CSF) Framework.

CSFs are those factors and variables that are critical to the success of a capacity-building intervention. The CSFs are based on - and elaborate - the partner selection criteria contained in USAID's HICD Handbook. The CSF Framework that the project developed enables the project to thoroughly evaluate each partner institution using 12 institutional and seven human resources factors, such as the level of management commitment and the degree to which the proposed institution is important to USAID's mission in Georgia.

HICD PLUS performs a CSF assessment on each potential HICD partner (we also use elements of the Framework when assessing potential technical assistance and sector assessment activities). This due diligence helps safeguard USAID's investment and ensures that only the most relevant partners and activities are selected. The specific steps in a CSF assessment include:

- Literature review of related documents.
- Discussion with USAID/Georgia staff.
- Interviews with external stakeholders (such as other USAID implementing partners and other donors), and with the leadership, middle management, and line employees of the proposed partner institution to ascertain the organizational culture, leadership style, and incentives for reform.
- Assessing any existing performance improvement systems, the organization's leadership's vision for future development, indicators that are being used to track progress, and external factors (political, financial, or legal impediments).
- Assessing the existence of any human resources management systems, levels of accountability, appraisal systems, and motivational programs, especially for the motivations and characteristics of middle management, as this is where many HICD interventions will be executed.
- Preparing a final report documenting findings and recommendations.

## Georgian State Electrosystem (GSE)

Georgian State Electrosystem (GSE) is a profit-making institution wholly-owned by the Government of Georgia whose main functions include ensuring electric power transmission over the entire territory of Georgia and electric power dispatching. GSE plays a critical role in the energy sector and in achieving the Government of Georgia's social and economic development goals. Its high and sustained performance is essential and GSE is and will increasingly be a key piece of the financial and economic stability of Georgia. USAID and GSE requested the HICD program given the important role that GSE plays.

### Year 1 HICD Partners

- Georgian State Electrosystem (GSE)
- The Association of Development and Support of Microfinance Organizations of Georgia (MISO)

The HICD program began in April 2012 with a seven-week performance assessment to identify performance gaps and recommend a set of solutions that GSE could implement to ensure its organizational performance matches its updated role and demands within the privatized and evolving energy sector in Georgia, as well as in the region.

During the assessment, a consortia led by project subcontractor Policy Management and Consulting Group (PMCG) assessed the “external” and “internal” environments within which GSE delivers its mandate; analyzed existing strategic and operational documents; conducted dozens of interviews with GSE staff and other stakeholders; evaluated GSE's existing monitoring and evaluation systems; explored critical business processes; and identified performance issues on the company's agenda. In addition, the PMCG team conducted a companywide employee work values and job satisfaction survey among 562 GSE employees.

The assessment produced 14 performance improvement recommendations in four main areas: (i) performance planning and management approach; (ii) maintenance of stock with the focus on efficiency; (iii) reconfigured processes; and (iv) workforce readiness. The findings and recommendations were based on the totality of the information gleaned during the assessment and feedback from the HICD stakeholder group, and took into account GSE's growing, and dynamic role in the energy sector in Georgia.

GSE subsequently expressed its desire to proceed with implementing nine of the 14 recommendations from the performance assessment final report:

1. Implement a performance planning and management approach;
2. Introduce an organizational approach to project management;
3. Enhance GSE's technical planning capacities by strengthening in-house forecasting and planning capabilities and improving coordination with other stakeholders;
4. Enhance energy demand and load planning capabilities;
5. Enhance skills of GSE personnel in procurements, pre-procurement research, developing tender documentation/specifications, and improve the procurement planning system within the company;

6. Introduce an effective and automated asset management system;
7. Facilitate the development of an internal audit function in compliance with international standards;
8. Establish a performance center within GSE to facilitate development of in-house capacities;
9. Develop a performance-based grade/pay schedule for technical staff.

From a performance improvement stand-point these interventions are the most important ones.

HICD PLUS is coordinating its work with GSE with the USAID Hydropower Investment Promotion Project (HIPP). Interventions four and six from the list above fall within HIPP’s scope of work, and HIPP has made a commitment to implement them. HICD PLUS will implement the remaining seven.

In August, the PMCG team developed a Performance Solutions Package which included detailed objectives, results, timelines, and key performance indicators (KPIs) for each intervention. The seven interventions were also consolidated into four distinct

“The role of GSE and its contractual requirements in the energy sector, coupled with the increased activity and opportunity in the regional export of hydroelectric-generated electricity and transmission, will demand that GSE evolves to take on its many challenges. This assessment, therefore, was focused on the current and emerging requirements facing GSE.”

– HICD Performance Assessment of GSE,  
Final Report

components. As of the writing of this report, HICD PLUS is procuring a service provider to implement the first component. This component includes the first three interventions and focuses on improving the performance planning and management strategies within GSE. This is the most important component and provides a foundation upon which all ensuing components will build. HICD PLUS will sequence the remaining components in stages once the first component is underway.

Each KPI in the Performance Solutions Package was discussed and validated with GSE’s senior leadership, and HICD PLUS began working with GSE’s HICD Champion to program the KPIs into the Performance Monitoring and Evaluation System (PMES) to enable GSE leadership to quickly and easily track their institutional performance.

### **The Association of Development and Support of Microfinance Organizations of Georgia (MISO)**

HICD PLUS is also implementing an HICD program for the Association of Development and Support of Microfinance Organizations of Georgia (MISO). MISO is a relatively new institution, established in 2009, that works to support and develop the microfinance sector in Georgia, defend the legal rights of microfinance institutions, and help coordinate their activities. The goal of the program is to develop and strengthen MISO’s human and institutional capacity and better enable it to perform its core functions.

Following a competitive bidding process conducted amongst the project’s Georgian subcontractors, the project selected the consortium led by Tbilisi Business Service Center

(TBSC) as the successful service provider for this activity. The performance assessment started in April and ended in June 2012. The assessment team proposed 12 specific activities in three areas: (i) mission, vision, and governance, (ii) membership profile, and (iii) business model. The specific recommendations included:

1. Conduct a comprehensive market research about the current state of micro-finance in Georgia (need, demand, supply);
2. Develop a structure for decision-oriented Board meetings;
3. Facilitate the first annual planning cycle including development of forms and templates;
4. Facilitate the first policy agenda setting;
5. Develop handbooks and process descriptions for committee work;
6. Coach the Executive Director on how to support committees;
7. Facilitate the development of a membership profile and model (in close coordination with the business model);
8. Facilitate the development of member service offers and programmatic offers (in close coordination with the business model);
9. Facilitate a marketing strategy for member recruitment
10. Facilitate the development of a three-tier business model including forms and templates for budgeting and budget control (in close coordination with the membership model and offer development);
11. Facilitate the first budget;
12. Facilitate the first year of monitoring performance to budget.

MISO's board accepted all of the recommended interventions. The board formalized its decision in well-written board minutes; a practice the board had not done to-date. Several of the recommendations from the performance assessment focused on improving the board's operation, for instance by preparing meeting minutes to ensure agreement on the issues discussed. In this instance the performance assessment itself produced positive behavior change in the partner institution.

"The primary benefit to the Association of implementing the recommendations is that the Association will become viable from organizational, membership, and business model perspectives. This means that the Association will be able to be a more capable spokesperson for the industry, will generally become more influential, will take over some functions that are now done by each member (and thereby reduce member costs), will be able to perform programmatic functions (e.g., develop a particular training program), and be able to provide a suite of member services, particularly regular trainings."

– **HICD Performance Assessment of MISO,  
Final Report**

The TBSC team (working closely with HICD PLUS) then drafted the Performance Solutions Package for each intervention (the exception being the recommended market research about the state of microfinance in Georgia, which USAID tentatively decided to postpone). HICD PLUS had completed the procurement process to identify a service provider to implement the activities and implementation will begin in mid-October.

## SECTION III: TECHNICAL ASSISTANCE AND SECTOR ASSESSMENTS

### Assessment for the Ministry of Internally Displaced Persons from Occupied Territories, Accommodation, and Refugees (MRA)

USAID is planning a large-scale program to rehabilitate housing for internally displaced persons (IDPs) in Georgia. This renovation will require that any IDPs currently inhabiting the facilities be relocated so that the renovation can be properly and safely conducted. However, the Ministry of Internally Displaced Persons from Occupied Territories, Accommodation, and Refugees (MRA) - the Government of Georgia entity tasked with supporting IDPs – has insufficient capacity to properly conduct temporary and final IDP resettlement. Previous IDP resettlement programs managed by the MRA have faced several challenges, generally related to planning and execution. As a result, these previous resettlement programs have often been negatively perceived and many IDPs have a dubious perception of the MRA. These practices have also garnered the attention of international organizations including Human Rights Watch, meriting discussion in its recent 2012 World Report.

#### Year 1 Activities

- Assessment of IDP Resettlement Activities at the Ministry of Internally Displaced Persons from Occupied Territories, Accommodation and Refugees (MRA)
- Technical Assistance to the Office of the State Minister for Reintegration (SMR)
- Technical Assistance to the Georgian Association of Regional Broadcasters (GARB)
- George Mason University Point-of-View Session
- Technical Assistance to the Ministry of Labor, Health, and Social Affairs (MOLHSA)
- Private Equity Training for the Partnership Fund

HICD PLUS conducted an assessment of the MRA's IDP resettlement practices to improve the MRA's ability to properly conduct temporary and final IDP resettlement and support USAID's upcoming rehabilitation program. The assessment was conducted by a team of consultants from project subcontractors GEC Developments Corporation, the Centre for Effective Governance System and Technological Advancement of Regions, and the Business Consulting Group. In particular, the assessment team:

- Assessed the MRA's previous IDP resettlement activities, both temporary relocation of IDPs and securing durable housing solutions (final settlement);
- Identified the extent to which the MRA is following the approved guidelines for IDP resettlement processes, and;
- Recommended specific ways in which the MRA can improve the IDP resettlement practices.

The assessment included:

- A desk review of relevant literature;
- Meetings and interviews with MRA leadership and staff, members and apparatus of the Parliament of Georgia, Ombudsman's office, State Chancellery of the Government of Georgia (GoG), other line Ministries, the respective leadership

- and staff of the Municipal Development Fund (MDF), and other local and international stakeholders;
- Eight focus groups and 500 in-person interviews with IDPs across Georgia;
  - An examination of the MRA's database and management system.

The assessment revealed several positive elements and accomplishments from the MRA's recent resettlement activities while also exposing some significant problem areas. These problems prevent the durable solution of IDP issues, hinder appropriate resettlement and integration processes, and restrict the rights of IDPs. The assessment included a number of recommendations for the MRA's consideration, focused on its institutional and structural functionality, human resources, management of these resources, communications (including communication with IDPs), planning, developing statistics, transparency, the IDP database, and the efficiency of the Steering Committee.

As of the writing of this report, the assessment report was being reviewed by the relevant partners.

### **Technical Assistance to the Office of the State Minister for Reintegration (SMR)**

In November 2011, USAID requested that HICD PLUS continue supporting the Office of the State Minister for Reintegration of Georgia (SMR); support which started under the predecessor FORECAST project but ended in May 2011. Dr. Jonathan Kulick, a highly experienced conflict analyst, conflict resolution expert, and policy advisor, who provided similar technical assistance to the Ministry during the FORECAST project, was engaged to support the SMR from November 2011 to November 2012.

The goal of this program is to support the SMR in its development, implementation, and promotion of strategy, policies, and programs related to engagement with the occupied territories of South Ossetia and Abkhazia. The ongoing priorities of the SMR are: (i) implementing the instruments and programs called for in the Action Plan for Engagement of Occupied Territories, adopted by the GOG in 2010, and (ii) building support for the GOG's position and efforts in this regard.

In particular, HICD PLUS support includes:

- Building the capacities of the SMR to execute the State Strategy on Occupied Territories and the Action Plan;
- Assisting the SMR in coordinating the strategy development process and subsequent activities with interagency working groups and other stakeholders as appropriate;
- Supporting the SMR in its attempts to build legitimacy and the confidence of the general public in the reintegration process;
- Contributing to the effective and efficient work of the SMR and its working groups;

- Supporting the Ministry in its attempts to build the necessary knowledge and expertise to effectively administer its mandate.

Aside from providing policy briefings, background research, and data collection/analysis, the consultant's most significant task to-date has been his work to help the SMR establish the so-called "Trust Fund." As articulated in the Action Plan, the Trust Fund will be an institution oriented to fund confidence-building projects designed by local and international organizations to bring the residents of the occupied territories together and build ties between divided communities. The SMR attaches high importance to the speedy and efficient implementation of this instrument and HICD PLUS's consultant elaborated a concept paper for the Fund, on the basis of which the SMR designed the charter, organizational and decision-making chart, and other necessary documents. The SMR plans to establish the Fund by the end of 2012.

### **Technical Assistance to the Georgian Association of Regional Broadcasters (GARB)**

In year one, HICD PLUS also implemented a technical assistance program for the Georgian Association of Regional Broadcasters (GARB). GARB is a non-profit association of 22 regional television broadcasters across Georgia, with a mission to support the sustainable development of regional broadcasting companies, to make free speech accessible for the Georgian public, and to improve their level of information and civil activity. USAID requested the activity given the Agency's support for media and civil society development in Georgia and the central role that independent media play in helping create and sustain an informed citizenry.

HICD PLUS conducted an initial assessment of GARB and identified several potential assistance areas, including improving its member services and preparing for the upcoming digital switch-over in Georgia. However, significant deficiencies in terms of financial sustainability took priority because without a secure funding stream the very existence of the association is in question. As such, HICD PLUS implemented a multi-pronged technical assistance program for GARB to help it reduce its dependence on donor funds and become financially sustainable. The activity produced several deliverables, including a regional advertising market assessment, a marketing strategy with financial forecasts, an establishment plan for a new Central Marketing Unit, and an assessment of GARB's grant-writing capacities.

The assessment revealed that selling advertising time on behalf of its members by creating a Central Marketing Unit (CMU) would be the most profitable direction for GARB. The establishment plan for the CMU included organizational charts, job descriptions, recommendations on physical and IT infrastructure, recommendations on training needs, and financial forecasts. At the time of this report, GARB's executive director was holding discussions with the board and members of GARB to seek their approval to establish the CMU.

## **George Mason University Point-of-View Session**

HICD PLUS supported George Mason University (GMU), a large public university in Virginia, USA, in conducting a “Point-of-View” session in Istanbul, Turkey – a follow-on to similar sessions implemented by GMU and supported by USAID in the past. The meeting brought together Georgians, South Ossetians, international community NGOs, intergovernmental organizations (IGO), and other related individuals to improve understanding of potential areas of agreement, cooperation, and confidence building across the conflict sides, to provide direct and unmediated communication across the Georgian-South Ossetian Administrative Boundary Line (ABL), and to catalyze support for the further development of other confidence building measures.

The session was held from May 10-12, 2012, and the participants included seven Georgians, seven South Ossetians, and representatives from a number of international organizations. One representative from each side made a presentation on the current political, economic, and social environment in their respective communities, which was followed by active Q&A and discussions on possible engagement opportunities. The Istanbul workshop included substantive discussion of the importance of eventually increasing freedom of movement between the sides. Possible educational programs that could benefit both sides were also discussed.

The workshop yielded several promising results that have the potential to develop into more significant cooperation in the future. The most significant outputs of the workshop were the intentions participants carried home to work on convincing their colleagues to allow a Point-of-View meeting in Ergneti (located on the ABL) in the future. The proposal is to allow a symbolic crossing at Ergneti for internationals working on development/peace building. The EU participants and the individuals who had some engagement with the decision-makers in Tbilisi and Tskhinvali agreed to discuss the idea of an Ergneti Point-of-View meeting when they returned home. Nonviolent Peaceforce and GMU planned ways to engage the various NGOs working in the region in better communication and shared analysis to plan work with more knowledge of each other’s efforts. The meeting produced understanding that the active engagement of the population from local communities on issues of direct concern is another step towards confidence building.

A new step in this Point-of-View process was the agreement of all participants to set aside a portion of the conversation for “on the record” discussion. Based on the detailed planning discussion with the range of participants, the exact portion of the conversation was identified and that portion was audio-taped and transcribed.

The participants agreed that the next meeting should be held in Istanbul in November 2012. The timing of the meeting is important as it will directly follow parliamentary elections in Georgia and would allow participants to assess and brainstorm about the implications that new government in Georgia can have on the Georgian-South Ossetian peace process.

## **Technical Assistance to the Ministry of Labor, Health, and Social Affairs (MOLHSA)**

At the request of USAID and the Ministry of Labor, Health, and Social Affairs of Georgia (MOLHSA), HICD PLUS began implementing a technical assistance program in August 2012 to help MOLHSA improve its capacity to effectively communicate with the Georgian public. MOLHSA's mission is to promote the population's good health, functional capacity, and healthy working and living environments, and to ensure the supply of sufficient social and health services. MOLHSA and its agencies' specific activities include: providing medical services and public health to the population; regulating medical and pharmaceutical activity; managing state pensions; providing targeted social assistance to the population; providing a safe living and working environment; implementing the function of guardianship and care; and overseeing issues related to adoption and protection of the rights and interests of a child.

The primary target of the activity was MOLHSA's Public Information Division; this division is in some respects the primary means for citizens to communicate with MOLHSA, and MOLHSA is striving to better inform the public about their rights and the health services available to them.

This program is underway as of the writing of this report. The four main components of the activity are to: (i) assess MOLHSA's new unified call center and provide a detailed action plan to improve it, (ii) assess MOLHSA's customer service hall and develop a detailed action plan to transform it into a one-stop-shop, (iii) assess the customer service functions in MOLHSA's 68 regional offices, and (iv) provide customer service training to staff of the call center, customer service hall, and regional offices.

It is through the call center and the service offices that MOLHSA interacts with thousands of visitors daily. For instance, on some days the call center receives more than 5,000 calls from individuals seeking assistance. To-date, the consulting team has completed data gathering and assessments in the call center and service offices. To gather public feedback, the team surveyed visitors to the service offices and conducted "mystery shopper" activities to gather additional information from the user's perspective. The team has interviewed numerous MOLHSA staff and assessed the technical infrastructure in the call center. The action plans to improve the call center and the service offices will be completed in late October. Customer service training will also start in October. In total, more than 180 MOLHSA staff will receive ServicePlus customer service training: 150 from the service hall and regional offices, and 30 from the call center.

## **Private Equity and Venture Capital Training for the Partnership Fund**

In August 2012, USAID requested that HICD PLUS support the Partnership Fund of Georgia by arranging for the Fund's CEO and Deputy CEO to attend a training course in private equity. HICD PLUS subsequently located and funded a two-day training course in London in September. HICD PLUS made the course arrangements and paid the course fees, while the Partnership Fund paid for the participants' travel and accommodation.

## SECTION IV: PARTICIPANT PROCESSING SERVICES

HICD PLUS provides Participant Processing Services (PPS) to all USAID implementing partners in Georgia. These services include language testing, medical certification, health insurance enrollment, security risk inquiry, J-1 visa processing, pre-departure orientation, and participant data reporting.

HICD PLUS processed 27 exchange visitors (EVs) traveling to the United States this year, on behalf of five USAID implementing partners. The project also supported the USAID/Washington Office of Education (E3/ED) to process an exchange visitor for the USAID event “All Children Reading: A Grand Challenge for Development (ACR) grant competition.”

From the beginning of the project, HICD PLUS started a practice of holding in-person pre-departure orientation sessions for every EV before they leave. HICD PLUS held nine such sessions in year 1. During these sessions, project staff provide the EVs their passports with valid J-1 visas, DS 2012 forms, invitation letters, health and accident coverage insurance IDs, and related documents. The project also developed a tip sheet on important points to remember that is also distributed during the orientations. In surveys conducted after processing, the EVs indicated that 100% of them reported being satisfied or extremely satisfied with the project’s participant processing services.



*HICD PLUS’s participant processing team provided in-person pre-departure orientation sessions for 27 exchange visitors this year, helping ensure the participants have smooth trips to the US.*

The project also initiated the distribution of individual invitation letters to the EVs. The letters help non-English speakers go through an interview process with US immigration officers at the port of entry. HICD PLUS also developed a J-1 visa processing mini manual, which documents the steps in processing a J-1 visa request.

12 additional EVs are currently being processed by the project.

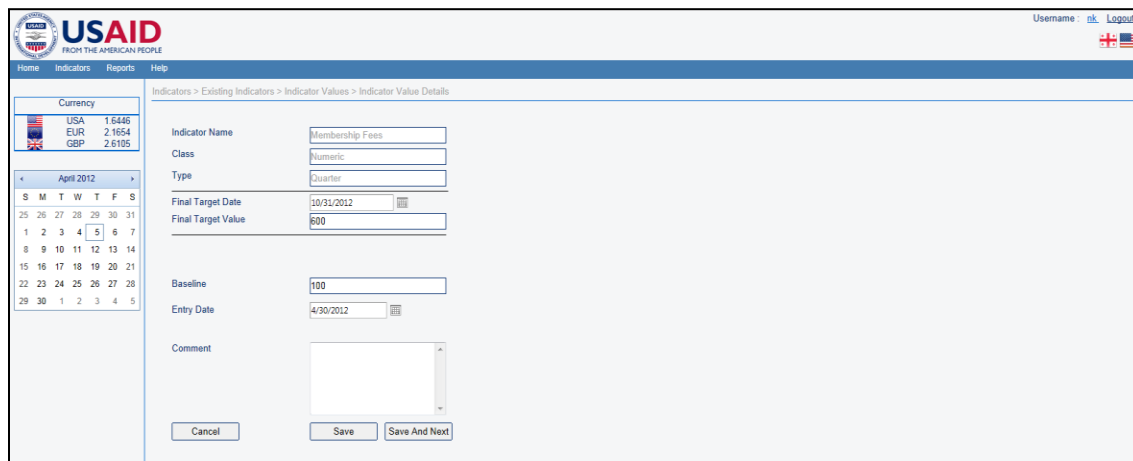
## SECTION V: MONITORING, EVALUATION, AND GRADUATION

### Performance Monitoring and Evaluation System (PMES)

Rigorous performance monitoring and making course corrections as necessary is an integral part of the HICD approach. To help the project's HICD partner institutions easily track their performance, the project developed an electronic Performance Monitoring and Evaluation System (PMES) for use by each partner institution that receives an HICD intervention. The PMES can be accessed at [www.hicdplus.ge/pmes](http://www.hicdplus.ge/pmes).

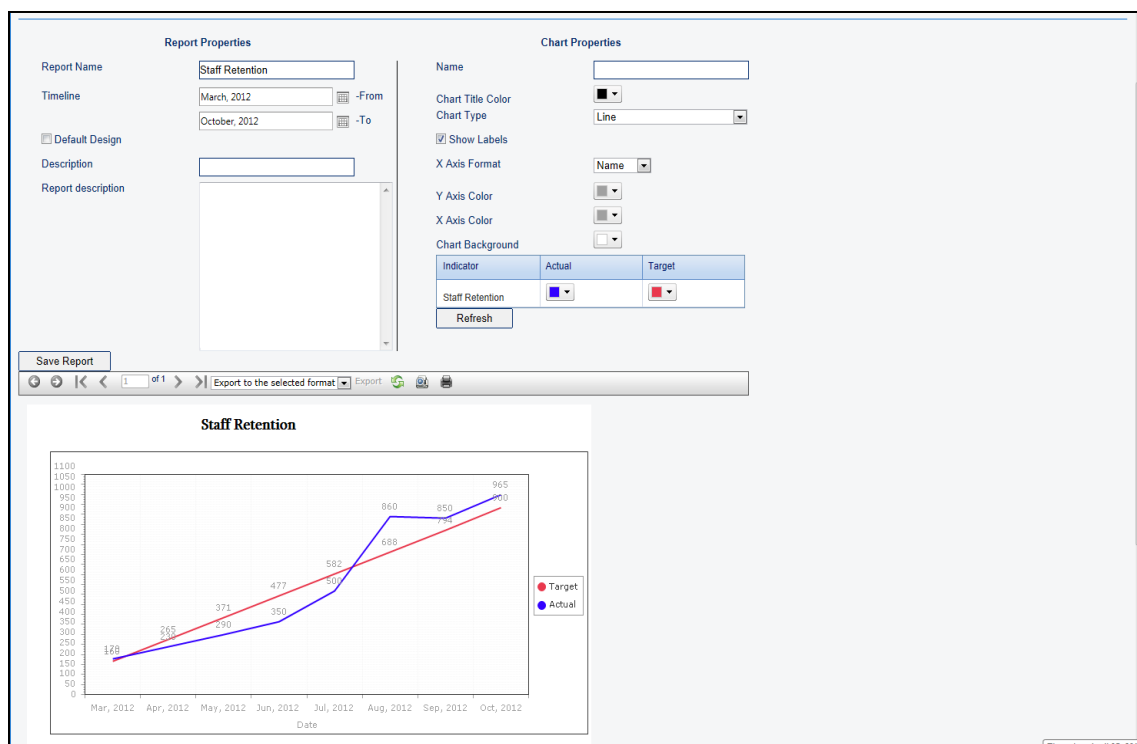
The PMES is a custom-designed, web-based system based on open-source technology that enables the project's partner institutions to regularly and easily monitor their institutional performance by tracking the change over time of key indicators. The indicators are selected by the partner institution and are useful metrics by which the institution can measure their performance.

HICD PLUS initially assessed commercial-off-the-shelf software systems available in Georgia and internationally to determine whether they would be sufficient for project needs. However, this assessment revealed that no existing system would satisfy requirements, primarily because of the lack of a Georgian-language interface, a limited ability for end-users to modify the systems, and because of annual licensing fees that are required of many commercial systems. HICD PLUS therefore elected to custom-design a system using Georgian web developers.



The screenshot displays the PMES web interface. At the top left is the USAID logo with the tagline 'FROM THE AMERICAN PEOPLE'. The top right shows a 'Username' field and a 'Logout' link. Below the logo is a navigation menu with 'Home', 'Indicators', 'Reports', and 'Help'. On the left side, there is a 'Currency' section with a table showing exchange rates for USA (1.6446), EUR (2.1654), and GBP (2.6105). Below that is a calendar for April 2012. The main content area is titled 'Indicators > Existing Indicators > Indicator Values > Indicator Value Details'. It contains a form for editing an indicator value. The form fields are: 'Indicator Name' (Membership Fees), 'Class' (Numeric), 'Type' (Quarter), 'Final Target Date' (10/31/2012), 'Final Target Value' (600), 'Baseline' (100), and 'Entry Date' (4/30/2012). There is also a 'Comment' text area. At the bottom of the form are three buttons: 'Cancel', 'Save', and 'Save And Next'.

*A screenshot from the PMES: Users can create customized indicators and set their baseline and target and then enter actuals to display change over time.*



*A screenshot from the PMES: Users can create a myriad of charts and graphs to visualize data.*

The system is easy-to-use and each partner institution is able to: create new indicators; assign those indicators baseline, target, and actual values; and create reports to visualize the selected indicators through charts and graphs. Users can also produce, save, and export reports into numerous formats, such as Excel, PDF, and JPEG. They can also change the look of the system to match their institutional/organizational branding, such as by changing the system's colors and by uploading logos, photos, etc. The PMES and its reports can be seen in Georgian or English language format for user-friendly viewing.

### **Performance Monitoring Plan (PMP)**

The project finalized its performance monitoring plan (PMP) in early 2012. The PMP uses a combination of output and outcome indicators to track the efficiency and effectiveness of project interventions and includes a Results Framework and Indicator Reference Sheets (See the Results Reporting Table in Annex A below).

## **SECTION VI: SPECIAL FOCUS ON LOCAL CAPACITY BUILDING**

USAID’s new strategy for high-impact development, “USAID Forward,” calls for implementers to invest in country-owned models of inclusive development and build sustainable capacity in the countries where USAID works. Through this strategy, USAID places a renewed emphasis on local capacity building so that American assistance strengthens the actors and institutions responsible for transforming their countries. The HICD PLUS project is committed to USAID’s goal of strengthening local capacity and incorporates this vision into the project in several innovative ways.

### **The Indefinite Quantity Subcontract and Building Implementation Capacity**

One of the main ways HICD PLUS supports local capacity building is through the use of an Indefinite Quantity Subcontract (IQS). The IQS is an umbrella contracting mechanism that allows the project to issue solicitations to a pre-approved list of eligible organizations and quickly make subcontract awards. The IQS itself is not a capacity-building tool; it is the manner in which it is being used that is making an impact. HICD PLUS is working through the pro-approved subcontractors to deliver the majority of the capacity-building and technical assistance services the project provides. Project subcontractors have primary responsibility for designing and implementing the various interventions under the close supervision, mentorship, and coaching of HICD PLUS.

HICD PLUS began the IQS tendering process in November 2011. To ensure that the contracting opportunity reached a broad audience of potential vendors, the project emailed the RFP to various Georgian organizations, posted it on a popular Georgian website, placed an advertisement in several Georgian newspapers, and also sent it to other USAID implementing partners and requested that they forward it to any Georgian organizations they work with that might be interested in the opportunity. The project also held three bidders conferences to answer questions from interested offerors and give them an opportunity to network amongst themselves.

The project received 13 proposals representing 60 organizations. This huge response is evidence of the success of HICD PLUS’s outreach efforts to attract potential vendors, particularly smaller, newer, or niche firms that have not received USAID funding in the past. HICD PLUS subsequently identified five winning consortia, composed of 28 organizations, including consulting companies, research centers, think tanks, NGOs, associations, two software firms, and a university. Only six of the 28 organizations worked under the predecessor FORECAST project, meaning that HICD PLUS was able to attract and contract 22 “new” organizations, which was a goal of HICD PLUS and USAID. This result will help broaden the base of service providers capable of implementing HICD and capacity-building work in the future.

To-date, HICD PLUS has completed five procurements through the IQS and two more are in process as of the writing of this report. The IQS has exceeded our expectations,

both in terms of the quality and quantity of proposals being submitted and the quality of the work being done by the service providers.

Recently, one of the five prime contractors held an informational workshop on HICD and performance improvement in partnership with the Management Academy of Georgia. This event, which was open to the public and which was implemented without HICD PLUS support, is a demonstration of a local USAID partner spreading knowledge they gained through direct engagement with HICD PLUS.

The service providers have also reported that they are using the new business relationships they made through the IQS to form partnerships and consortia for non-HICD PLUS business opportunities (i.e., with other donor, public sector, and private sector clients). This unintended benefit is helping Georgian service providers form strategic alliances that they are using to win new business, implement projects, and gain experience.

USAID's HICD Handbook expresses a clear desire that HICD performance assessments be led by either a Certified Performance Technologist (CPT) or a Human Performance Improvement-designated (HPI) expert. The reason behind this is that these individuals have attained an industry standard for performance improvement work. For a number of reasons, HICD PLUS emphasizes the CPT as the desired credential, and as such, prefers it when staffing teams.

Towards the end of year one, a consultant from one of HICD PLUS's subcontractors (TBSC) became a CPT; the first one in Georgia. The fact that a project subcontractor obtained the certification means not only that there is a reduced need for international consultants on some activities, but that USAID and other potential clients can have certainty that a consultant has met certain industry standards. To help other Georgian consultants obtain the certification, HICD PLUS delivered a CPT informational workshop for interested members of the project's 28 subcontractors in September 2012. Several of these consultants are now going through the application process and we expect a number of them to be certified in the coming year.

### **“Leading through HICD” Training Program**

Another innovative aspect of the project designed to increase local capacity was a 10-module series of capacity-building training courses titled “Leading through HICD.” The program, which was delivered to all 28 service providers during March-September 2012, combined formal training with hands-on experience and enabled the organizations to assume more complex decision-making responsibilities over time.

To select topics for the training program, HICD PLUS conducted a training needs assessment of all 28 organizations in January 2012. Based on an analysis of the data provided by these organizations, the project selected the following topics for the program, representing a mix of performance improvement topics and other issues relevant to successful business operations:

1. Human and Institutional Capacity Development: Performance Objectives and Performance Assessment;
2. Gap and Root Cause Analysis;
3. Performance Improvement Intervention Selection and Implementation, Part I;
4. Performance Improvement Intervention Selections and Implementation, Part II;
5. Evaluation Models and Application;
6. Managing Subcontracts
7. Recruiting Consultants;
8. Managing Consultants;
9. Communicating Project Results;
10. Capstone: HICD Simulation.



*A collage of photos taken during the ten-module Leading through HICD training program.*

Pre- and post-tests administered to the participants indicated an average 20% increase in knowledge of the subject-matter, far surpassing the project's goal of 10%.

The electronic version of the entire training program can be downloaded from the HICD PLUS project website at [www.hicdplus.ge](http://www.hicdplus.ge).

## SECTION VII: LESSONS LEARNED AND RECOMMENDATIONS

The project has not faced any significant challenges during year 1. At the same time, we note below two recurring issues that are a factor in project implementation and the steps the project is taking to address them.

**Challenge of working through host-country subcontractors.** As previously described, HICD PLUS engages Georgian subcontractors to design and implement the HICD interventions, technical assistance programs, and sector assessments that the project provides. HICD PLUS contracts from among a pool of 28 pre-approved service providers. This is an important and valuable practice that gives the local organizations primary responsibility for implementing these activities. They are learning by doing, and becoming capable providers for USAID, the GOG, and the Georgian private sector. At the same time, there are risks involved with this approach because of the challenges of working with organizations that have their own capacity gaps and that are still developing. These challenges typically manifest themselves in the timeliness of certain steps and in the quality of written reports. HICD PLUS has noted that both timeliness and report writing are at times challenging for project subcontractors. At times this delays project activities because implementation slows or subcontractor-produced reports take time to edit and/or revise. These are manageable challenges and should not change the manner in which HICD PLUS engages with the subcontractors; the long term goal of helping develop a broad and capable base of service providers is too important.

In terms of timeliness, HICD PLUS has learned to take extra steps to set realistic timelines with subcontractors and thus ensure implementation progresses according to these timelines. Similarly with report writing, HICD PLUS has learned to factor in additional time into programs for reviewing and, if necessary, revising, reports. These are understandable challenges, and HICD PLUS's work with subcontractors to address timeliness and report writing is building their capacities. We expect these challenges to diminish as the organizations become more capable over time.

**Educating the community about HICD and the HICD PLUS project.** Knowledge of the HICD model is not widespread within USAID, many implementing partners in Georgia, or Georgian partners and stakeholders. As such, initial requests for project support often emphasize stand-alone trainings as opposed to more holistic performance improvement activities. Further, the design of the HICD PLUS project is somewhat unique in that the project performs a number of different types of activities for partners across the technical spectrum. Given these two facts, HICD PLUS is sometimes challenged clearly explaining what the project does and how it can support USAID/Georgia's activities.

The project has found that the best way to improve this coordination is through direct communication and dialogue with stakeholders. These meetings enable HICD PLUS staff to discuss proposed partner institutions and help facilitate the conceptualization and nomination of viable and appropriate activities. These meetings also help further educate

stakeholders about the distinction between training and institutional performance improvement.

As an additional tool, in September 2012 HICD PLUS developed a five-minute video designed to help educate viewers on the HICD model and the ways the HICD PLUS project can support the USAID/Georgia Mission. The video will be released in October 2012 and we expect that it will help raise awareness. The video can be viewed on the project's YouTube site at:

<http://www.youtube.com/watch?v=Cwb5MltaXq4&feature=youtu.be>

Below are some screen shots from the video.



## ANNEX A: RESULTS REPORTING TABLE

Performance Indicator Name	Baseline	Year	Program Year 1 2012				Program Year 2 2012-2013				Program Year 3 2014				Prog 20
		Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Components 1 &amp; 2: HICD Interventions, Technical Assistance, and Sector Assessments</b>															
1.1.1: # of civil society organizations using USG assistance to improve internal organizational capacity	0	Target	12				15				18				
		Actual	n/a	11	19	19									
1.1.2: # of persons completing USG-funded workforce development programs	0	Target	42				64				72				
		Actual	n/a	43	54	59									
1.1.3: # of public/government institutions receiving HICD or TA assistance	0	Target	4				8				12				
		Actual	n/a	1	3	4									
1.1.4: % of HICD partner institutions meeting HICD PLUS's graduation criteria	0	Target	n/a				100%				100%				
		Actual	n/a	n/a	n/a	n/a									
2.1.1: % of local service providers completing the HICD PLUS training program	0	Target	80%				n/a				n/a				
		Actual	n/a	n/a	n/a	83%									
2.1.2: Change in capacity of local service providers	n/a	Target	10%				n/a				n/a				
		Actual				20%									
2.2.1: % of HICD recipients that have institutionalized the PMES	0	Target	n/a				100%				100%				
		Actual	n/a	n/a	n/a	n/a									
<b>Component 3: Participant Processing Services</b>															
3.1.1 # of persons processed through PPS	0	Target	40				80				120				
		Actual	n/a	20	n/a	27									
3.1.2 Satisfaction with PPS services	0%	Target	80%				80%				80%				
		Actual	n/a	100%	n/a	100%									

*Note: Annual targets and actuals are cumulative*

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