



# Evaluation of the Oxfam Market Evaluation Initiative in St Lucia

Full Report

Oxfam GB Programme Evaluation

May 2009

Commissioned by: Oxfam GB

Evaluators: Daniel Start, Dr Joy Moncrieffe

# TABLE OF CONTENTS

- I INTRODUCTION
  - 1. Preamble 3
  - 2. Approach 4
  - 3. Structure of the report 5
  
- II CONTEXT OF THE PROJECT
  - 1. Decentralisation in Azerbaijan 6
  - 2. Financial decentralisation 8
  - 3. National organisations dealing with local government 10
  - 4. Donor organisations supporting local government 12
  - 5. Regional situation of Barda area 13
  - 6. Conceptual framework 13
  
- III PROJECT ORGANISATION AND PERFORMANCE
  - 1. Introduction 16
  - 2. Project organisation 16
  - 3. Project performance
    - a. Introduction 19
    - b. Efficiency of the project 21
    - c. Effectiveness of the project 29
    - d. Impact and sustainability of the project 34
  
- IV CONCLUSIONS AND RECOMMENDATIONS
  - 1. Conclusions 35
  - 2. Recommendations 39
  
- ANNEXES
  - Terms of Reference 43
  - Itinerary 46
  - References 49
  - Map of project area 50

# I INTRODUCTION

## 1. Preamble

The present document is the outcome of an evaluation of the project *Self-Governance and Role of Municipalities in Poverty Reduction* in Azerbaijan. The project has been designed for a period of three years, starting in May 2004. It has the following general objective: supporting municipalities in order to allow them to represent their citizens and consequently to support the poor ones.

The evaluation has been undertaken on request from ICCO (Netherlands) and Oxfam GB in Azerbaijan, who are both financing the project. The project is coordinated by Oxfam, but executed in the project area by Aran Humanitarian Regional Development Organisation (located in Barda), the Economic Research Centre (ERC, located in Baku), and the Youth Education Centre (in the Azeri acronym GTM, in Mingshevir). The project is now operating in seven regions or rayons around Barda city in the centre of the country, covering a total of about forty participating municipalities. The rayons are Ağcabedi, Ağdan, Barda, Goranboy, Mingechevir, Tartar, and Yevlax. The total project cost amounts to € 389,000, of which Oxfam is covering € 138,000 itself.

The present phase is ending in April 2007, and therefore this mid-term evaluation is undertaken with the overall objective: assessing the impact of the project against the expected results, and furthermore analysing the quality and appropriateness of the original project design. But even more relevant is assessing whether a new phase should continue in the same way as before or whether improvements, amendments and/or a shift in emphasis should be adopted in the design or operation of the project. Based on the Terms of Reference<sup>1</sup>, the expert has prepared an evaluation methodology that has served as a basis for the study.

The study took place between November 27<sup>th</sup> and December 13<sup>th</sup> 2006 under the responsibility of the Association of Netherlands Municipalities (VNG-International) in The Netherlands. VNG-Senior Advisor Mr. Peter van Tilburg carried out the evaluation in Azerbaijan. During the visit of the project area around Barda, he was accompanied by Mr. Emin Milly, who in first instance performed as local interpreter, but also gave feed back during discussions on the many topics that were covered.

During the period that the evaluation took place in the project area, a total of eleven municipalities were visited and discussions with the chairman, deputy chairman and/or members took place. Selection of municipalities was based on getting a proper representation of those who are covered by support from Aran and/or ERC or by neither of the two; of those who participated for two or one year; of large and small ones, and of a proper distribution over the six rayons. The municipalities and the names of their chairmen are listed in the Itinerary. In addition, with several stakeholders at local as well as central level discussions have taken place.<sup>2</sup>

---

<sup>1</sup> See Annex 1 for the Terms of Reference.

<sup>2</sup> See Annex 2 for the Itinerary.

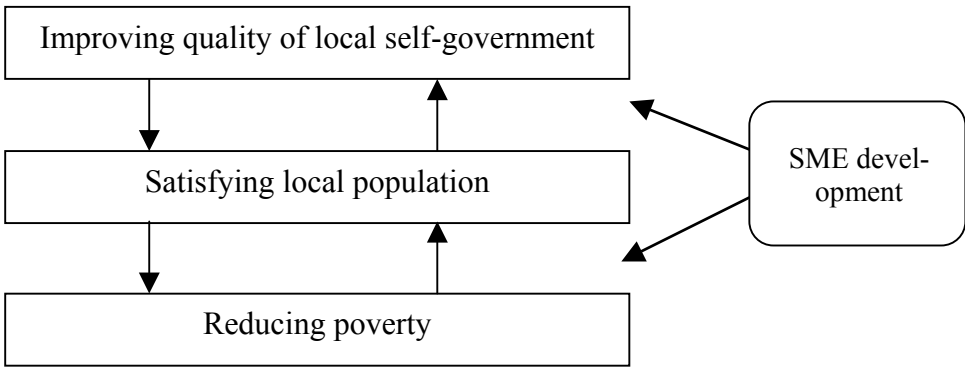
## 2. Approach

The external evaluation of the project *Self-Governance and Role of Municipalities in Poverty Reduction* is, according to the ToR, in the first place an impact assessment. In addition, the evaluation, based on an in-depth analysis, is making suggestions for future improvements. The assessment of the impact of the project is not simply concerned with collecting data associated with the predefined performance goals. It is thought of as an overall approach, aiming at achieving an assessment of the work produced and/or services delivered in accordance with the requirements of the target groups, i.e. the municipalities, as well as their citizens. The performance is analysed in the political and socio-economic context of Azerbaijan and the project area.

The analysis has resulted in recommendations, which could lead to an improvement of performances and to a possible prevention of future constraints. In this light it is important to mention that the project identifies two target groups: the municipalities (councils and divisions), and the local population (civil society, farmers, etc). This results in two different types of impact: in terms of an improved quality of municipal governance (performing more democratic, more efficient and/or more effective), or in terms of an increased satisfaction with the local population about the performance of its municipality (an increase in the level of participation and/or improvement of the services received).

Moreover, the ToR makes mention of the project’s contribution towards ‘democratisation’ as well as towards ‘poverty alleviation’. Though, both are linked and form part of the *overall* objective of the project (i.e. supporting municipalities in order to allow them to represent their citizens and consequently to support the poor ones), they are different *specific* objectives. It is therefore good to make a differentiation between the two target groups. In addition, the ToR indicates the fact that the project also aims at “... raising the citizens’ understanding on the roles and responsibilities of the municipalities”.

The above-indicated parameters are interlinked as shown in the following schematic presentation.



Improving the quality of local government will generally lead to more satisfied citizens; and improved services delivered by the municipality could facilitate them to increase their income. On the other hand, higher income will create more satisfied people, who, on their turn can increase the municipality’ revenues. This cycle, however, will, from my point of view, never come about without additional resources from outside. The engine of economic devel-

opment, i.e. private enterprise development, could set off this cycle. Stimulating this sector should be strongly considered at the same time.

As indicated, the impact assessment has several objectives, which could be split up into those aiming at the measurements themselves, and those suggesting possible improvements.

*Measurements:*

- *Efficiency* refers to the extent to which the project inputs have contributed towards the realisation of the results, or in other words whether the required activities have been undertaken with the available inputs.
- *Effectiveness* refers to the relationship between the results of the project and the project objectives. It gives an assessment of the extent to which the project results have contributed towards the achievement of the project purpose.
- *Impact* refers to the contribution of the project activities to the overall objective.

*Improvements:*

- Assisting the project in supporting the municipalities to identify remaining functional capacity gaps and needs, and other institutional requirements.
- Based on the analysis, identifying the strong and weak components of the project and suggesting improvements concerning its approach, strategy, and methodology.

### **3. Structure of the report**

The report is divided into four sections. After this introduction, section 2 focuses on the context of the project, i.e. it's background and the political and socio-economical environments in which it operates. Also the conceptual framework relating to the project is considered.

The analysis of the organisation and performance of the project takes place in section 3. Here the structure is described, as well as the operational components of the project. Furthermore the project is analysed on its *efficiency* (relating the activities undertaken with the existing inputs and means to the expected results), *effectiveness* (relating the results of the project to its objectives), and *impact* (relating the objectives of the project to the overall aim of the project, in terms of its impact on the different target groups).

In the final section 4, the conclusions and recommendations are presented. In this section, proposals for improvements of the project are presented. The Annexes contain the Terms of Reference, the itinerary, the documentation consulted, and the map of the project area.

## II CONTEXT OF THE PROJECT

### 1. Decentralisation in Azerbaijan

Azerbaijan still has a strongly centralized presidential system. The executive branch is composed of the president, the office of the president, the prime minister, and the cabinet of ministers. The president enjoys overwhelming authority over the executive, legislative, and judicial branches. President Ilham Aliyev was elected in 2003 in defective elections, which failed to meet the OSCE standards for democratic elections. Parliamentary elections in late 2005 also failed to meet international standards and the ruling YAP (New Azerbaijan Party) party won the majority of seats. Opposition parties are weak, because they are strongly divided. In the Parliament they occupy only few seats of the total of 125.

The economy of Azerbaijan is floating on petrodollars. It is expected that the country will receive in four years time revenue from oil of twenty billion dollars. In terms of sharing the country's resources among the population, this should be an announcement of a bright future for the municipalities. However, for the current leadership this does not increase their motivation to share the wealth directly with democratic bodies.

Azerbaijan is since 2001 a member of the Council of Europe and forms part of the European Neighbourhood Plan (ENP), which enables closer political, economic, and cultural relations between Azerbaijan and the EU. In this light the decentralisation programme in the country should be seen. Moreover, it is an increasingly important ally and geopolitical actor for European states. Despite concerns about the government's capability to continue in a democratic direction, western powers prefer to continue with dialogue to promote democratic processes.

Municipality, as a self-government local institution, is a new phenomenon in Azerbaijan. The first municipal elections were held in 1999 when, despite significant irregularities reported by both international and local observers, 2,673 Municipal Councils were established throughout Azerbaijan, excluding the territories occupied by Armenian forces. The second elections took place in December 2004. There are many doubts whether these elections have been performed in a proper, honest way. The largest part of the municipalities consists of villages, and these are usually very small. A population size of less than 1,000 is not uncommon. There are strong doubts whether such small administrative units will ever be in a position to manage the village problems and to deliver all the required services to the local population. It would be more efficient to group municipalities together and make larger units with a minimum of 10,000 inhabitants.

For the establishment of municipalities several legislative documents were produced and passed the Parliament, which are regulating their activities:

- Law on Municipal Service;
- Law on Financial Basis of Local Governments;
- Law on Budget;
- Law on the Status of Municipalities;
- Law on the Transfer of Assets to Municipalities;
- Law in the management of Municipality Land, including the Regulations on Documents for Partition of Municipality Lands;
- Law on Local Taxes and Indemnifications.

It is worth to mention that the authority structure in Azerbaijan is built up out of only two layers: central and local government. There is no regional administration in-between, as is common in many other European countries. In this light it is even more important that municipalities are not too small and too fragmented. A reformulation of the definition of the municipality vis-à-vis the city should be considered.

The importance of the establishment of local self-government bodies in the struggle against poverty is recognised by the Government of Azerbaijan in its State Programme of Poverty Reduction and Economic Development (SPPRED). Moreover, it is stating that it strongly appreciates the role of NGOs in their support to these local self-governments. At the same time the government itself is declaring "...there is still no clear definition of the role and function of municipalities, and no clarity between the authority of the municipalities and that of the local executive bodies, and no clear definition of their relationship with the central government agencies. Municipalities still do not have full use of the property which is allocated to them, and the funding which they are entitled to from the central budget."<sup>3</sup>

This means that the government itself is aware of the confusion on these municipalities as institutions of local self-governance. According to Article 142 of the Constitution of Azerbaijan Republic, local self-governance is carried out by municipalities who are set up by elections. However, local self-governance *de facto* is exercised through several institutions: the local Executive Committees (ExComs) being the State executive authorities; municipalities; and – mainly in bigger cities - community-based organisations. Despite the laws, legalising municipalities as local self-governments and the accompanying legislation on their responsibilities and resources, there are municipalities where the responsibilities of the local Executive Committees overlap with those of municipalities. There is apparently no legislative document that explicitly defines the division of authority between local Executive Committees and the municipalities.

During the first years of their existence, municipalities in general had a very marginal understanding of their roles and responsibilities. There was even little awareness of what democratisation is about. For most of them the situation has not yet changed. According to the Law on the Status of Municipalities, municipalities belong to the *non-governmental system*, being independent from any local state administration authority. The actual fact is that in many municipalities they are considered as a branch of the Executive Committee. Often they consider themselves in this way as well. It happens that the Executive Committee orders the chairman of the municipality to undertake certain actions, which not necessarily were those that the council had decided on.

It also appears that Executive Committees are considering municipalities as comfortable implementing agents of those projects, which the Committees are not able to implement. The Executive Committees, which have been visited during this mission, gave the feeling that they certainly prefer to keep an eye on the municipalities. It is clear that central government authorities are very reluctant to transfer power to local self-governance, whereas the local state administration officials are very anxious about losing control over regional property. Therefore, in many cases, actual power at the local level is exercised by Executive Committees. And there are cases that Executive Committees appropriate areas, which were delegated to fall under municipality jurisdiction.

---

<sup>3</sup> Azerbaijan Republic, 2003.

In the law all what is said about municipalities applies for all, independent whether they are of big, medium and small cities, or villages. This appears to be incorrect as the constraints that villages have to face, compared to the cities, are completely different. The level, size and complexity of issues that a large city like Mingchevir, with 120,000 inhabitants, covering 11,600 ha, has to deal with, cannot be compared with those of villages with a population of 500 and an area of 1,000 ha.

There are three types of lands in Azerbaijan: government land, municipality land, and private land. It is still unclear which land belongs to municipalities. It is said that the distribution of land has taken place, but in actual fact it has not. In many municipalities the exact land registration has not yet taken place, making revenue generation, by leasing the land, difficult. Some government officials are saying that all government land should be given to the municipalities, but that would mean that they are also responsible for all main roads etc. That would give the municipalities an impossible responsibility. In any case, the land issue should be solved for all municipalities, clearly stating which land belongs to them and what they are entitled to do with it.

Municipalities are said to be responsible for village roads, while central government for health, schools and main roads. Nevertheless, municipalities have been dealing with improvement of schools and health clinics. "But municipalities can also repair roads if they want to, they are not forced by Executive Committees..." as one government official was saying. Aran has done intensive research in all the laws concerning the existence of municipalities. It has produced a large volume (in Azeri) that contains all the laws, including its comments. After all, several Aran staff members are lawyers. The conclusion is that there is nothing explicitly said in the law on the responsibilities of the municipalities vis-à-vis the Executive Committees. This is in line with the quotation from the SPPRED.

Moreover, there seems to exist also a difference in opinion as to the *de facto* role and function of municipalities. For one they are just an extension of the Executive Committee, with no chance to change (at least not in the coming twenty years), for others they are potential change agents, whose responsibilities and resources could make them into real self-governing bodies. In reality it appears that they have something from both sides.

## **2. Financial decentralisation**

According to the Law on Budget of Local Self-Government Institutions they are unable to fulfil their responsibilities out of their own financial resources. Therefore they should receive financial support from the state budget. This is not yet happening to its fullest extent, due to fact that government is saying that it does not know the amount municipalities do need, but also because government officials have strong doubts about the capacity of these local governments in handling these funds. This is obviously a chicken-egg problem: without capacity they will not be in the position to manage the budget, but improving capacity without an adequate budget will lead to frustration. It is the Law on the Status of Municipalities that makes municipalities responsible to implement three programmes: local economic development programme; the ecological programme; and the social protection programme. This is no sine-cure. In addition, there is a feeling at central level that municipalities are not really doing their utter best to generate as much revenues as possible. This generalisation does certainly not apply to most municipalities in the country.



A recent study done by the Fiscal Decentralisation Institute for Central and Eastern Europe, reveals that the subsidies received from the government by all municipalities in Azerbaijan in 2005 was only 7.8 percent of the total municipalities budget. It is interesting to see that the largest share of the municipalities' budget comes from privatisation and leasing of local government estates (55.4%), thereafter land tax (20.4%). Property tax only covers 2.3 percent of the municipalities revenues. An additional interesting finding is that for all municipalities the share of the administrative cost in the total budget ranges from 20 to 50 percent.<sup>4</sup>

It should be mentioned that the grant that local government is receiving from central government budget has increased from 1.5 million Manat in 2004, to 2 million in 2005 and 3 million Manat in 2006. Nevertheless, it has been calculated that municipalities will be capable to fulfil their responsibility is repairing roads for only 25 percent.

Concerning the municipality revenue problem, it can be concluded that land tax turns out to be much less profitable than was expected. This is partly due to a poor registration system and low calculation of the value of the land, and reluctance to collect all fees and taxes, due to poverty of farmers. This last argument is quite remarkable, as it is not normal to allow taxpayers, who cannot or do not want to pay land tax, are exempted from payment. The municipality should than take the land and lease it to someone else. In a normal tax system everybody has to pay taxes, depending on his property, not on his income. If he cannot afford it, he has to solve that problem by selling or leasing the property.

The economic base for the municipalities in the project area is largely agriculture. Cotton is the major product, and thereafter sugar beets and unions. However, due to an increase in the production cost (diesel has gone up in February of this year more than three times, irrigation water has become more expensive) and a fixed monopoly price for cotton, sugar beets and unions, it is hardly worth for farmers to continue. It should be mentioned that during the past decennium the number of farmers in the country has been reduced with more than five times.

Municipalities do suffer in many ways, because of lack of budget, lack of quality of management, lack of technical capacity, lack of knowledge of their own territory, as well as on where to get this knowledge, and lack of understanding of its rights and responsibilities. The results are that the municipalities, in the eyes of the local population, do not perform adequately. There has been already from the beginning a strong scepticism about democratisation of a system that still is influenced by a post-SU mentality. This has resulted in a very low turnout at the polls. As soon as municipalities do not perform according to what has been promised, the cynics among the citizens will find sufficient proof of their views.

Municipalities are obliged by law to submit an annual financial report to the Ministry of Finance and an administrative report to the Ministry of Justice. This is not done by all every year. Failing municipalities are said not to be fined. But the insufficient received information has not yet lead to any debate on increasing the budget allocation to the municipalities.

If a municipality wants to sell municipality land, it has to be approved by the Land Commission. Thereafter the municipality council has to agree and finally the local representative of the government (Executive Committee) has to approve it. But in practice this sometimes goes the other direction, whereby the Executive Committee disapproves and the transaction does

---

<sup>4</sup> Fiscal Decentralisation Institute for Central and Eastern Europe, 2006.

not take place. Besides the sale of land, municipalities are entitled to collect several different taxes and revenues:

- Land tax from physical persons
- Property tax from physical persons
- Fines for not paying taxes
- Tax from hotels
- Tax from parking spaces
- Billboard fees
- Royalties/shareholder/bonds from local companies who use resources from municipality land
- Lease of municipality land
- Grants from international NGOs

And finally the grant out of government budget (allocated and non-allocated). The distribution is based on the size of the population, not on location, specific problems, etc. It was said that the grant from government is sent to a special bank account of the municipality, but under the protection of the Executive Committee. There were stories, that could not be verified, that the Executive Committee has actually prevented municipalities from making use of the money unless it would be spent for certain projects. It cannot be denied that in some municipalities certain white elephants have arisen (large squares with statues and fountains, sport complexes, cinema's etc), all very useful, but which were not on the list of priorities set by the municipality.

### **3. National organisations dealing with local government**

At national level several organisations and institutions are engaged in the development of local authorities. This is not necessarily by direct support, but could be via regional development or taxes. Those of the institutions the evaluator has not been able to visit are:

- Presidential Office. It has a section dealing with preparing policies for the president on the issue of decentralisation and regional development;
- Ministry of Justice. It has a Municipality Development Department, handling all legal issues.

There were other institutions the evaluator was able to visit.

- Ministry of Taxes

The ministry is dealing with all tax issues in the country. It has a Department dealing with Tax Policy and Strategic Research, and within this department there is a Municipality Department. It appears that at the department there is still little confidence in the quality of municipalities to handle taxes. There is a feeling that municipalities too easily are requesting support from the state budget, without fully exploiting their own possibilities. In other words, municipalities are considered to be not sufficiently responsible in executing their tasks. Also constraints concerning the relation of Executive Committees and municipalities were not heard of. All taxes due to the government are collected at the level of the rayon by the Ministry of Finance. It is claiming that 90 percent of these taxes are being collected.

The Department has set up a standard procedure for registration of taxpayers and the consequent financial management. It has produced two nice looking booklets that have been distributed all over the country. One is a handbook, indicating the registration number of each municipality, the exact steps in the tax registration process to be taken and all the accompanying formats. The department is claiming that all municipalities in the country have been trained in how to apply the system. ERC, who has also been giving trainings for the Tax Ministry, has used the same procedures and formats when it was giving trainings in the frame of the project. The problem, though, is that the whole system depends on the availability of a computer (and electricity). The department is not making mention of supplying all municipalities also with this equipment.

Moreover, the department is saying that it is publishing two printed tax information bulletins: a tax newspaper and tax magazine.

Municipalities are legally not entitled to prosecute someone who is not fulfilling his tax commitment. The municipality can only go to court. It was interesting to learn that municipalities are allowed to establish municipality enterprises and to apply for credit. Moreover, municipalities are entitled to ask its population to pay for the services that these enterprises are delivering. If a municipality decides to establish a company to collect and process the solid waste, or distribute drainage water, it may do so. They are even in the position to define the level of fees that citizens are to pay for these services.

- Parliamentary Commission on Regional Development

The main task of the commission is to prepare the laws that form the legal base for decentralisation and local authorities. It was indicated that a new law is in preparation, increasing the responsibilities of municipalities. It was said that these are even going to be stretched out to health and education, without Executive Committees' interference. In this situation the capacity of the municipalities will have to be improved up to the required standard. Another law is being prepared dealing with the social protection of municipality members.

- Outside government: Municipality Advocacy Group

The Municipality Advocacy Group has been installed only recently (2006) with the aim to raise policy issues at the central level and to lobby for the municipalities with the government. It has a total of seven members. Two are members of parliament, who belong to the opposition party; others are representatives of ERC (who have two members, one being the coordinator, and one being a member), Aran, the Azerbaijan member of the Council of Europe, and an independent expert on local government from the University.

The interest of the group is in three areas: administrative decentralisation, enhancing the authority of the municipalities and clarifying the division of power between the state and local government; financial decentralisation, allowing the local governments to increase their revenues; and improving the skills and knowledge of the municipality members.

The group has been on TV in a debate, and there are articles in newspapers. Particularly the MP members are in the position to promote municipality issues in parliament. For example, there will be soon a full parliamentary session on the issue of increasing the municipality capacities. It was said that about fifteen to twenty percent of the parliament members do support the development of municipalities.

#### **4. Donor organisations supporting local government**

It was said that there have been many international organisations been involved in local government. But lately the number has been reduced.

- Organisation for Security and Cooperation in Europe (OSCE)

The OSCE is monitoring on behalf of the European Commission the developments in the country. It is concentrating itself on three areas: politics and military; human issues (human rights and democracy); and economy and environment. The section within the OSCE dealing with democratisation is also handling the subjects: party and parliament development, local NGOs, civil society, gender, and trade of human beings.

Being active on the political side, OSCE is working side by side with the Council of Europe, who is focussing on the legal issues. For the government, the Council is of more interest as it has more to offer by satisfying certain basic legal requirements. OSCE is seen as a more complicated watchdog.

Besides the monitoring function, the organisation has been supporting the establishment of resource centres. At such centres, set up by local NGOs, all kinds of capacity building activities have been taking place. Next year OSCE will start with few new types of resource centres with specific purposes, to be managed by the OSCE. If these turn out to be successful the concept will be spread over the whole country.

- Eurasia Foundation

Eurasia Foundation is originally a US based NGO, but is now in the process of localising it's representative offices. The Azerbaijan office will become a local NGO, in a kind of franchise construction linked to the original organisation. In 2006 it has started three programmes: on municipalities, on education, and on social investment.

The municipality programme has three components: to develop performance indicators for municipalities (allowing objective measurement of municipalities' performances); to support municipality strategic planning, based on the indicators, and to support public participation.

- Other international organisations

Other international organisations who, in one-way or another are dealing with local government are: UNDP, ABAD (an international NGO, particularly for SMEs), USAID, and IFES. The evaluator has not visited these organisations.

## 5. Regional situation of Barda area

The political situation in the project area round Barda is still under the influence of the conflict between Azerbaijan and Armenia over Nagorny Karabagh. The main continuing political cause of the conflict is the contradiction between Azerbaijan's demand for territorial integrity and the aspiration of the majority of Nagorny Karabagh residents for self-determination. It is estimated that there were more than 750,000 refugees or Internally Displaced Persons (IDPs) in Azerbaijan as a result of the conflict.

The Armenians hold all but approximately 300 square kilometres of the former Nagorny Karabagh Autonomous Republic and in addition fully occupy five of the seven 'occupied territories' outside Nagorny Karabagh. In all, 13.6 percent of Azerbaijan is under Armenian control, but also the percentage of 20 is heard. Most of the municipalities in the project area, which is neighbouring the occupied territory, have IDPs among their citizens. They are also allowed to vote at municipality elections, as they have the same right to receive services from the municipality. It appears that within the villages there is a tendency to look at these IDPs as a separate group.

## 6. Conceptual framework

### *Decentralisation*

Decentralisation in general refers to the transfer of authority, responsibility and accountability from central to local governments. There are several levels of intensity of decentralisation.

- *Deconcentration* is the transfer of competencies from central agencies operating from the capital to field offices;
- *Delegation* is the transfer of responsibility for certain services from central governmental agencies to specialised local organisations with some degree of operating autonomy;
- *Devolution* is the transfer from central government to autonomous units of local government with statutory or constitutional basis for power that is distinct from central government.

Deconcentration takes place in Azerbaijan at the level of the Executive Committee. Decentralisation in the country cannot yet be seen as devolution, whereby power is delegated to local authorities, i.e. the municipalities. Considered from the point of view of the Executive Committees, municipalities can be seen as specialised bodies, i.e. to implement development projects. However, in the frame of decentralisation and the aim of achieving local-self government, this is an incorrect perception. In other words, in Azerbaijan, decentralisation has not yet reached the stage of devolution.

When the concept of decentralisation is combined with good governance, both concepts can be joined into the concept of *democratic decentralisation*. This encompasses at least two key relationships: (i) the relationship between the central government and local governments, and (ii) the relationship between the local government and the local population. In the context of Azerbaijan the first relationship concerns the one between the Executive Committee and the local authorities. This relationship is ambiguous, as has been indicated above. The second

relationship is being realised in the project municipalities, initially through assessment meetings, but have been institutionalised by the Municipality Activity Monitoring Group.

In order to achieve a proper level of decentralisation, usually linked to financial and/or fiscal decentralisation, and to democratic governance, at least five conditions are to be met:

1. Implementation of an appropriate legal reform to formalize local institutions and their decision making power;
2. Support of local governments in institution and capacity building to assure these local institutions to function adequately;
3. Expansion of local government's accountability, transparency and responsiveness;
4. Enhancement of the role of civil society generally, and local participatory institutions specifically;
5. Reduction of poverty and improvement of the quality of life.

In this context it could be stated that the government in Azerbaijan has met the first condition, and partially the third. The other conditions are so far still left to be realised by local governments themselves or with support from NGOs. In the SPPRED the participatory process is defined by combining a top-down with a bottom-up approach. The aim is a participation process to provide a sound and realistic feedback from citizens for the formulation of a strategy that will be viable only if it can reflect the reality and potential of the country. A proper democratic system contains a system of **checks-and-balances**, i.e. sufficient freedom in balance with adequate control.

### ***Capacity building***

Capacity building is a means to an end. It is a comprehensive process, encompassing the development of human resources, the establishment and improvement of relevant institutions, procedures and processes. And ideally it would involve the adjustment of the political environment, including legal frameworks and politics. Moreover, it should include the provision of appropriate facilities, equipment, and finances. In the frame of local government reform and implementation of decentralisation policy, capacity building comprises the process by which individuals, groups and institutions advance their ability to:

- identify and analyse own problems and constraints,
- establish objectives, targets and expected outputs solving these problems,
- formulate policies and plans to satisfy the objectives,
- perform adequately and rationally in accordance with the plans.

Capacity building is therefore multidimensional. It encompasses at least three aspects:

- creation of new capacities in accordance with *new functions*, tasks and responsibilities,
- utilisation, adaptation and upgrading of *existing capacities* to make the capacity level in accordance with capacity requirements, necessitating a conducive political, economic and social environment,
- safeguarding of *developed capacities* by addressing local resources for continuation and regular upgrading.

Capacity building is strongly related to the **ownership principle**. Adequate capacity for certain positions results in job satisfaction and good performance, which in its turn results into a stronger sensation of ownership.

After the capacity needs have been identified, a capacity building strategy and framework should be developed, based on a long-term vision on local government development. This strategy should become an integrated component of the development planning agenda. But in order to understand the reality and significance of the needs and requests, one has to have a competent notion of the real problems in the area concerned. It is, moreover, indispensable to fully comprehend the area of local authority in order to identify what the stakeholders and participants should be equipped with in *any case*.

In order to understand the reality and significance of the needs and requests, one has to have a competent notion of the real problems in the area concerned. It is, moreover, indispensable to comprehend the area of local authority in order to identify what the stakeholders and participants should be equipped with in *any case*. In other words, notwithstanding the relevance of the suggestions coming from the demand side, i.e. the target group, it is at the same time important to identify from a ‘bird-eye’ point of view the kind of knowledge and skill one has to have to act in the area of local government optimally and effectively. That means that planning of capacity building must mix input from the potential target group with government policy on local government with the general knowledge, based on experiences and insight, on what is required in the local government sector.

In other words, the development of the training programme for municipalities should not only be based on the assessment of needs done by means of the round-table meeting and the Municipality Activity Monitoring Groups. It should also consider a common understanding of what municipalities *should* know in order to perform satisfactorily within the context of the laws.

### III PROJECT ORGANISATION AND PERFORMANCE

#### 1. Introduction

It should be mentioned that the project is not laid down in a project document, indicating in detail its general and specific objectives, activities and expected outcomes. Also a Logical Framework of the project is missing. There is only a *Project Proposal submitted to ICCO* that has been prepared by Oxfam in July 2004. Since the project has been approved based on this document, this proposal is to be considered the Project Document. That means that the present evaluation, also taking the project's efficiency, effectiveness and impact into account, will use the objectives, activities and results that are indicated in this Project Proposal.

#### 2. Project organisation

The project *Self-Governance and Role of Municipalities in Poverty Reduction* is implemented under the responsibility of Oxfam GB in Azerbaijan, who also is partly financing it. The office in Baku is coordinating the project that is implemented in the Barda area by three local NGOs: Aran Humanitarian Regional Development Organisation (Aran), the Economic Research Centre (ERC) and the Youth Education Centre (in Azeri acronym GTM).

- *Oxfam GB in Azerbaijan*

The Oxfam office in Baku is a relative small office, employing a total of eleven persons, including support staff. It started in Azerbaijan in 1991. Besides local government, it is focusing on primary healthcare, disabled people, and projects on SME development and job opportunities. For the present project there is no staff member fully engaged, but one Programme and Policy Officer is the contact person for Oxfam's partners in the region. There is regular interaction between Oxfam and its partners, either by phone or by visiting the area. But it appears that the organisations that are working in the project area are relatively free in the implementation of the project. Oxfam does not write any staff on the project budget, except for some additional costs, such as the present evaluation, adding up to € 6,000 (1.4 %).

- *Aran Humanitarian Regional Development Organisation*

Aran HRDO is a regional NGO, located in Barda. It has been established in 2001. The mission statement of Aran is to establish local self-government institutions that give voice to poor people and formulate pro-poor policies. The organisation is solely functioning based on externally funded project activities. It is presently also running a project with another NGO (Counterpart) and with the Refugee Council. Other projects, on improving communities socio-economically and by rehabilitating irrigation canals, and one for Save the Children, are finished. It is also engaging the on-line Legal Advice Services by supplying free legal advice to municipalities.

The organisation is seeking to change the municipalities in such a way that they will be in the position to provide public services to the poor, and to formulate policy decision that is based



on the needs of the poor. By doing so it is expecting that poor people in municipalities will understand the municipalities' roles and responsibilities, distinguishing them from those of the Executive Committees.

Up to now Aran has implemented project activities in 40 municipalities. It is claiming to have reached through the project a total of almost 50,000 people directly and even up to more than 130,000 indirectly. Considering the number of municipalities and the average number of inhabitants the figures could be right. But whether in really all villagers have been reached was impossible to verify.

In the office that is rented, about 20 staff members are working. For the present Local Government project 5 fulltime technical staff and one part-time administrator are engaged. The staffs are making a very motivated impression, which under the present weather and infrastructural conditions of Barda, is a real asset. Aran appears to be there specifically to support the rural poor in raising their voices. It is what one could say a popular organisation. It received € 300,000 from the total budget for three years, or 77.2 percent.

In support of its training programmes, Aran has produced several publications in Azeri. At least four are analysing laws on municipalities, and making remarks and suggestions; and one is a training manual for local governance. In addition, it is publishing regularly an information bulletin starting in 2004.<sup>5</sup>

Aran, being dependent on purely external funding, has a rather insecure future. Considering its recognised importance for the municipalities in the central regions of the country, Aran, as well as its clients, deserves a more sustainability future. It is advised to consider assessing whether the NGO could be supplied with a permanent location, to solve at least the rent problem.

#### ▪ *Economic Research Centre*

The Economic Research Centre is located in Baku and has come into existence in 1999, but was officially registered in 2002. The mission of the ERC is more academic. According to the brochure this is:

- To popularise economic and business knowledge in the society;
- To enhance transparency and increase accountability;
- To increase the level of participation.

During discussions one important statement was added: to achieve economic reform.

ERC has been or is still engaged in several projects related to municipalities, such as on transparent budgets, and increasing the role of local government in poverty reduction. But also different ones, such as: monitoring and audit of usage of local resources in the construction of the Baku-Tblisi-Ceyhan pipeline, and monitoring of needs-based financial assistance. It is publishing its research outcome in its own journal called *Ekspert*. The organisation has 5

---

<sup>5</sup> Publications are: *Suggestions based on Analysis of Four Laws on Humanitarian Policies*, 2005; *Commentary on the Law of Local Taxes and Payments*, 2006; *Commentary on the Law of Municipality Status*, 2006; *Explanation of Law Procedures Registration of Judicial Organisations*, 2006; *Training Manual of Local Governance*, 2006.

researchers, 8 project officers and 7 technical staff. Like most NGOs, ERC is functioning on project-to-project basis.

Related to the problems of municipalities, ERC has been doing research in 2004 on transparent budgets, also supported by Oxfam. Based on this it has produced the citizen's budget guide for the 2006 financial year. In 2005 it has been engaged in preparing documentation on budgets in municipalities, on socio-economic development programme of the municipalities, and on budget management of the municipalities. In the mean time it is also working on the issue of strategic planning already from 2003 onwards. As strategic planning is the basis for budgeting there is no other way than to integrate both. ERC claims that it takes the strategic planning broader than Aran, including a socio-economic development plan, using development indices for municipalities. Based on this it will prepare a model for strategic planning. It will become a complete book for the municipalities, which will ask much more from municipalities, than the format that is used by Aran. With this way of thinking, ERC is more in line with Eurasia Foundation, who is presently producing performance indicators. It is not clear whether there have been sufficient discussions between the two partners within this project on this issue.

It was agreed that ERC would solely be working on supporting municipalities with the generation and management of their revenues and the preparation of the budget. From the project budget it received a total of € 48,000 for three years, or 12.3 percent.

- *Educational Centre for Youth*

The third partner in the project is the Educational Centre for Youth (GTM). The head office of the Centre is located in Baku. GTM was established in 2000. Its mission is to support young people by enabling them to live a normal life and so helping civil society in the frame of democratic principles. In order to achieve this it has been executing several civil society and social development programmes.

In the frame of the project, GTM is supporting Mingechevir municipality in improving its capacity to bring the formulation of activities more in line with the needs of its citizens. To achieve this it is supporting the municipality in improving procedures and increasing citizen's participation in the implementation of local self-government. Another objective is the establishment of the Municipality Centre for Youth, aiming at serving the young people through vocation training, employment, etc., and raising their awareness concerning the role of the municipality and stimulating them to participate in the decision making process. The part of the project budget that has been reserved for this component is € 29,000 for three years, or 7.5 percent.

In addition Oxfam has made use of the Analytical Information and Research Center during the first year to set up a database on municipalities. It received for this € 6,000 (1.5 %).

### ***Observations***

1. It is interesting to note that all three NGOs were already engaged in the same area, but the project objective and those of the individual NGOs are not the same, though very close. This is logic as they are also engaged in other projects. But it should be realised that, when one organisation is presenting itself to the outside world the presentation of the organisation

and of the project are not the same. For Aran these are almost the same, though its mission sounds more a political statement than the project (and Oxfam) may appreciate. Only the GTM has two distinct PowerPoint presentations: one on the project and one on the Centre itself. I consider this an adequate solution.

2. Aran is an organisation that is showing its compassion with the poor in the region. As it is also located there it has a very good reputation among the municipalities. Expressions as “Aran has saved our lives ...”, and ”without Aran we would not be as far as we are now...” were heard regularly. Let say, Aran appears to be more a popular organisation for the people. On the other hand, ERC is working more academically, creating for the municipalities schemes and systems in accordance with government formats. That gives the institution more the image to be part of government, though this is certainly not the case. Where Aran speaks of needs assessment is ERC talking of research. It is clear that both institutions have a role to play, but that so far this is done more or less by coincidence. There is no proper regular consultation on which methodologies should be used. It appears that both NGOs are going to deal with the same issues in future, such as strategic planning. There is no harm, as long as different municipalities are not receiving different models to work with. This is certainly so in the light of a possible future administrative clustering.

3. It is suggested to identify between both partners what each specific capacity is and make clear appointments on the areas each will work in. It is recommended to have two organisations working on the same municipalities, rather than that each is covering different ones. For municipalities it has the advantage that they will get information from different sources, of which one it’s approach is more scientific, while the other more people oriented. It is good for municipalities to receive also these kinds indirect messages. It is hard for me to identify here who could do best what.

4. The GTM has a somewhat exceptional position in the project. It is only focusing on Mingechevir municipality, and is functioning within the municipality structure and jurisdiction. The Mingechevir municipality appears to be a well-to-do municipality, which is less in need of financial support than all the villages in the countryside. Though, supporting the municipality to strengthen democratic principles is in line with the project objectives, it is questionable whether the municipality needs are in comparison with those of the village municipalities. It appears to be of great support to have a partner who is solely dealing with a larger city to understand the dynamics of municipalities with more responsibilities and a higher budget. The project focus should however be on the village and small towns municipalities.

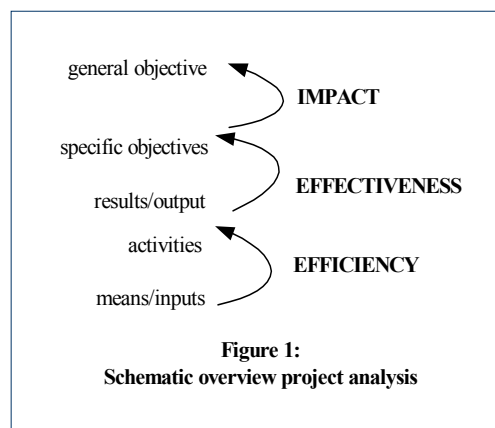
### **3. Project performance**

#### **a. Introduction**

The Project Proposal, here considered as Project Document, makes mention of objectives and activities. These activities are intended to lead to, or at least to support the fulfilment of the objective. The *impact* of the project refers to the contribution of the project activities to the overall objective. The level to which the output or results of a project have lead to the fulfilment of the objectives of the project, describes the *effectiveness* of the project. Finally, all the activities that the project performs will lead to create results. The level to which the com-

bined activities with the available means (human and material resources) have accomplished the results is an indication of the project's *efficiency*. Figure 1 shows the relation between these parameters. In the following sections efficiency, effectiveness and impact of the *Self-Governance and Role of Municipalities in Poverty Reduction* project are considered.

The evaluator is asked in the Terms of Reference to undertake a precise evaluation: among



many questions, the assessment of the efficiency, effectiveness and impact of the project. This requires a commonly accepted general aim of the project, specific objectives, activities and inputs. The problem with the Project Proposal is that the concepts of *objective* (general and specific), *activities*, and *results* are vague and sometimes being interchanged in different papers. This has surely been caused by the absence of a formal Project Document. For example, objective 1 as formulated in the Project Proposal, is of a different level than the objectives nr. 3 and 4, who are basically specific objectives to the first one.

Also, in the Final Report 2004-2005 the trainings are listed as input to objective 1, while in the Final Report 2005-2006 this is done to objective 2. Moreover, the three Operation Plans for Aran also make mention of objectives, but in these plans is referred to areas of activities: advocacy/lobbying, mass media campaign, and capacity development. And moreover, these Operation Plans by ERC and GTM have different groups of activities again.

It may all sound rather finicky, but by using ambiguous concepts in an evaluation, the outcome of it will also be ambiguous. After all, it would make quite a difference if a project is targeting on building capacity with municipalities, or on reducing poverty. The project structure, whereby three different partners are engaged, each having its own planning, makes it very difficult to analyse the project *as a whole*.

Having said this, I have taken the freedom to reformulate the different parameters, based on the documents and on what I have heard and seen during my stay in Azerbaijan. I will amalgamate certain groups of objectives/activities and, for efficiency sake, make the formulation shorter, but using as much as possible the words applied in the Project Proposal. No new objectives or activities are formulated.

To start with, in the documents I could not find any *overall objective*. Though, there are few proxies:

- Aran has a *mission statement* (though this is formally the one of Aran and not of the project): to establish local self-government institutions that give voice to poor people and formulate pro-poor policies.
- The project proposal makes mention of a *project aim*: to develop municipalities as institutions of self-governance that give voice to poor people and formulate pro-poor policies.
- The ToR for this evaluation is stating it slightly different: to enable municipalities to represent the poor people's interest at all levels and contribute towards poverty alleviation and democratisation.

Based on the above, an *overall objective* is formulated as follows:

*To improve the quality of local self-government in such a way that it will satisfy its citizens and reduce poverty.*

If this can be acceptable, it would come down to three *project objectives*:

1. Improving the quality of local self-government by addressing the general lack of understanding, and making them more democratic, more effective, and more efficient;
2. Satisfying the local population by having them participating in decision making, giving them better services, and bringing them at a higher level of awareness;
3. Contributing to poverty reduction by improving the quality of life.

The starting point of the project is with the first project objective. The project intends to satisfy this objective by three *sub-objectives*:

1. Facilitating municipalities in exercising their responsibilities by firstly coaching them in preparing strategic plans;
2. Supporting in all possible ways the municipalities in increasing their budget by finding new paths of revenues and by increasing the share from the central government budget;
3. Facilitating the municipalities in formulating and developing their budgets by means of participation of their citizens.

The project activities are worked out in detail in the two Annual Reports 2004-05 and 2005-06, prepared by Oxfam. There are so many different activities that for details reference is made to these two reports.<sup>6</sup>

## **b. Efficiency of the project**

*Efficiency* refers to the extent to which the project inputs have contributed towards the realisation of the results, or in other words whether the activities have been undertaken with the available inputs.

The project is being engaged in so many activities that it is impossible to clearly separate each activity and analyse it. For practical purposes, several actions have been grouped into areas of activities. I have done so, trying to cover all activities that have been undertaken, and combining those who belong logically together.

### **i. General observation**

It should be mentioned that it is no easy task to give a detailed answer to the question of efficiency. There are three (with Oxfam even four) organisations involved, and as has been explained above, each has its mission and approach. Though, Oxfam is not involved in the implementation and the Youth Centre is only active in Mingechevir. The major actors in the central region of Azerbaijan are Aran and ERC, of which Aran has the largest input. More-

---

<sup>6</sup> *Final Reports to ICCO, Year 1 (2004-2005), June 2005, and Year 2 (2005-2006), June 2006, presented by Oxfam GB Azerbaijan.*

over, the intervention in the different villages has not begun at the same time. Some are joining the project from the beginning in 2004, others joined only this year. Also, each of these NGOs have been already involved with the municipalities before the project has come to a start. The observations below can only be general for the project as a whole, but when such is not possible it is indicated.

As indicated above, Aran has more a popular approach, and ERC an academic approach. In this context it is interesting to know that the ERC staff is all trained in economics or related areas (it has several PhD members among its staff). When it comes to local government, Aran has mostly staff that learned from practice. Among the seven staff that has been set on the project, there are three lawyers, two philologists, a designer and an engineer. Those who do the trainings in Aran are not trainers of any of the subject matters by profession (except for legal issues), but have got experiences by learning-by-doing. I am not passing a judgement on whether one is better than the other. I would say that the combination of a more popular and an academic approach in one project could form a perfect balance. Though, such a cooperation requires a few conditions to be agreed upon. The most important is that there is proper and regular consultation on approach and methodology. So far ERC has only been engaged in trainings on the tax system, tax registration, tax collection and budgeting.

In terms of working conditions it should be mentioned that when the evaluator visited the area it was winter. It appears to be virtually impossible to work in an office that is not heated and the temperature drops close to zero. The offices are, besides being cold, usually also extremely old, sometimes originally even not meant to be an office. Often they were original kolkhoz buildings, handed over to the municipality. In other cases municipalities were housed in buildings that belongs to the Executive Committee, or a separate building was found, sometimes completely outside the village. In all cases the quality of the municipality offices was poor, if not extremely poor, which appears sometimes to bring the whole setting up of municipalities into disgrace. Computers are given by ERC, but current comes with intervals and the temperature and humidity are doing no good to the equipment.

Another remarkable observation is the fact that, though municipalities are not considered as governmental institutions, I have not been in one single office where a variety of photos and statues of the present and the former president was failing.

Finally it should be mentioned that the municipality members have done their best to become elected by grouping as many relatives, friends and villagers around them. Neither these candidates, nor their supporters seem to have clearly understood what was exactly expected from them. Membership of a municipality is an honorary position and does not guarantee any compensation. And it is very easy for a member to do wrong in the eyes of supporters, certainly of those from the other members. That means that a lot is asked of the motivation of municipality members.

## **ii. Selection of municipalities**

The project area has about 1000 municipalities. A selection was made of 20 (i.e. 19 and Mingechevir) the first year and another 20 the second. But to make a selection out of the total requires some strong indicators. The ones used by Aran and ERC are not completely the same, but appear to be without significant differences. Aran is using the following criteria:

- Motivation and pro-active attitude by both municipality and community members;
- Accountability of municipality members;
- Level of mobilization among community members;
- Willingness of municipality members to engage in activities to improve budget transparency at municipality level.

The criteria used by ERC are somewhat different from the ones used by Aran:

- The financial background: municipality must have a budget of at least 4000 Manat;
- Population: a minimum of 1000 inhabitants;
- Dependency: as less dependent from Executive Committee as possible;
- Transparency: willingness to go into cash transaction;
- Chairman: should agree with openness about his salary and all expenditures.

I have not heard that so far these differences have lead to difficulties, but in future it would be advisable to come to an agreement on a standard set of criteria, especially when both NGOs are covering the same municipalities.

### **iii. Trainings**

An almost countless number of trainings have been given, to an even larger group of recipients. Even the recipients, when asked, were not able to name all the trainings they had received. Aran is involved in the largest number of trainings and is claiming to have reached almost 55,000 persons directly and more than 130,000 indirectly. These numbers are said to also include those who should have seen the flyer. The number of trainings given by ERC is not recorded. Aran, having the aim to help self-government institutions to give a voice to the poor and to support pro-poor policies, is organising first a need assessment in each of the municipalities. After identification of the specific trainings required, the training is prepared. The trainings have been given during the first year of the project every other month, when in principle all 20 selected municipalities were covered. They were either invited to Barda in Aran office, municipality resource centre, or a restaurant, or Aran went to the municipalities itself.

The specific type of trainings are already listed in the Annual Reports that were produced by Oxfam for ICCO and all these details are not repeated here again. The subjects being treated were: municipality status, municipality management, roles and responsibilities of municipality commission and departments, fundraising and proposal writing, conducting information campaigns, advocacy and lobbying, strategic planning, formation of municipality executive structure, public relations and women participation in decision making, budget transparency.

In the municipalities that were visited it has been clear that the project partners, but particularly Aran, have come to them as a present from heaven. That is at least how the municipality members were frequently referring to the NGOs. It is not possible to comprehend whether they have really experienced it this way, but it shows that the municipalities are really in great need for support. When they were formally established in 1999 by law, they were left completely in the dark. There were no ideas as to what democracy actually is all about, and what was expected from them. Moreover, no one had any experience in self-government, as during generations, decisions were taken out of range of the communities, only being dictated the consequences.

One had to learn that democracy can no longer be purchased; that a structure that has been encroached with corruption is no longer acceptable, and foremost, that problems are no longer solved by the kolkhoz but have to be undertaken by the municipalities themselves. Capacity building in this field means *de facto* a complete change of mentality (i.e. through a process of emancipation), not only with the municipality members, but also with the citizens; and, even more urgently, with those in the traditional power structure. The old mentality was shown during the first elections when many irregularities were discovered. Only a low percentage of voters made use of the opportunity. The second elections in 2004 appeared to have been already better.

Aran has really put an imprint on those municipalities that it has been supporting. Not only does one find on each of the municipality offices' wall a nicely framed overview of what Aran is doing and still intends to do for the municipalities, but one also can immediately recognise an Aran-municipality by the proposed institutional structure that is proudly decorating the wall. This proposed structure is as follows: besides the council (comprising all municipality members, including the chairman and deputy chairman), there are several commissions (dealing with the formulation of projects, also manned by municipality members). There are departments (such as on taxes, economics, social, judicial, and agricultural issues, occupied by 'experts' on contract), forming the executive component of the municipality. Aran is claiming that the structure is based on the best possible situation. I am not in the position to verify this. However, I did not get the idea that the structure has been discussed with the other partners in the project. Municipalities seem to have attentively accepted this structure; no complaints have been ventilated during the discussions

Besides the situation were municipalities had no idea what was expected from them, Aran and ERC had to work in a surrounding where the land entitlement for the municipalities has not at all been settled.

It is interesting to note that a significant difference among the visited municipalities was observed in the level in optimism and forward-looking attitude of its members. The more 'positive' municipalities had often themselves brought forward new ideas and proposals, and had ideas about additional capacity building they would like to receive. It appears justifiable that these kinds of municipalities will be given more attention than those who have no ideas, showing an attitude of wait-and-see. But among the members of municipalities one could find differences in attitude as well. In one of the visited municipalities it happened that one member clearly was indicating that he had done his best to be elected without really knowing where he was elected for. It was a kind of feeling that it would give honour and prestige to him. When he discovered that he had to do something for free, with little reward, he decided not to go for a re-election. This shows how important it is that municipality members form one motivated team, with a reliable and solid chairman.

That all the trainings given by Aran and ERC can be considered as a success, goes without saying, particularly when considered in the context of the present situation that the municipalities are in. What however can be added to it is that they should come together with resources to bring theory into practice. Otherwise, all what has been learned will quickly disappear and frustration will reign.



#### **iv. Municipality Activity Monitoring Group**

Aran has established in each municipality a Municipality Activity Monitoring (MAM) Group. The group has been given several responsibilities:

1. Assessing local problems and sharing the results with municipality members;
2. Directly participating in preparing and implementing the municipality strategic plan;
3. Monitoring activities of the municipality, reporting to community members about municipality performance and thus contributing to greater accountability and transparency in local governance.

The group is a kind of permanent watchdog for the municipality. Trainings were given to them on monitoring and legal issues.

The ERC developed and published the Database of Legal Documents on Municipalities in Azerbaijan. This database was distributed among all 2,673 municipalities. This document can also be used to verify whether the municipality is still making use of its entitlements and is functioning in line with the law.

Setting up of these kinds of MAM groups is an excellent idea, as it can take over the task of assessing needs when the next strategic plan has to be produced. It can also serve as an intermediate between the municipality and the citizens. The last ones can bring their complaints directly to the municipality through this group. The point is of course that the municipality should be in the position and be willing to do something with the observed needs and collected complaints. That means that the MAM group should also keep the municipality awake. But, again, it depends all largely on the resources that the local government has to its disposal.

During the first year it was said that 14,700 information bulletins were published and distributed with the purpose of raising awareness among community members about municipality's role and responsibilities.

#### **v. Strategic plan**

During the first year this activity was implemented by Aran in 19 municipalities and by GTM in the city municipality of Mingechevir. Both NGOs have a different approach, whereby Aran is using the Municipality Activity Monitoring Group to identify the needs in 19 municipalities. All these municipalities did develop their strategic plan.

About the usefulness of strategic plans, there is no discussion necessary any more. The only question arises about the level and complexity of the plan. It appears to me that the methodology applied by Aran is more than sufficient for the type of municipalities located in the project area. The format is relatively simple, easy to fill in and to work with. With a total annual budgets of mostly about \$ 4,000 there appears to be no need for more complicated versions. But even by using this relatively simple format, there were significant differences in quality.

Therefore, it would be advisable to have a proper assessment of the level of strategic plans that can best be used in the project municipalities. This is relevant, as ERC is in the process

of preparing a comprehensive strategic plan guidebook. The same can be said about the system of using impact indicators. Eurasia Foundation is going to work on those indicators, but is aware of the complexity of such a tool for the small villages. The NGO is going to start to test and apply it only in large and medium sized cities. This could also be a good tactic to finally decide on the depth of the strategic planning approach. Aran, ERC and Oxfam should make a clear decision along these lines.

#### **vi. Taxes and budgets**

ERC is implementing in the municipalities the model that has been worked out by the Ministry of Taxes. There is a specific format for each taxpayer to fill in. This format corresponds with the format on the computer. The system is very easy to work with and can be used by anybody. Amalgamation tables can be made and gives easy overviews. As soon as the data are imported in the computer no mistakes can be made any more. Also can easily be identified when someone is failing to pay the taxes. It is said that coverage of the tax collection has increased from of about 20 percent to almost 75 percent.

However, some observations can be made:

The whole system stands and falls with *consistency*. If one entry is missing or registered faulty, it can be forgiven; if it happens few times, the system will become worthless.

Another issue is *privacy*. Of course in the frame of striving for as much as possible transparency, privacy will have no priority. Nevertheless, it is relevant to find a balance between the two. There are sufficient examples where certain persons are very much interested in someone else's private data. In any case would it be advisable to appoint one person to be responsible for the maintenance of the system (systems manager). He or she is to be made responsible for the privacy of the data. On privacy a clear code of conduct should be prepared.

Finally a practical issue is the making of *backups*. Certainly with the sudden power cuts, it is necessary to have a daily backup of the data entered in the computer. This can be on an external hard disc or a USB stick. And, again the privacy discussion comes up again. Suggested is that the same systems manager is responsible for this digit as well. I am not sure whether the computers have been equipped with stabilisers. But it should also hold a small battery that just would allow the data manager to close down the system before losing data.

#### **vii. On-line legal advice service**

The On-line Legal Advice Services was established by Aran to provide free legal advice. Social advertising and press conferences were held to inform people about this service. The service is free of charge and all questions related to legal issues of the municipality can be raised. This can be done by e-mail or telephone. Aran claims that the past two years 9,300 persons have made use of the service. Another score is the fact that the percentage of questions coming from women has risen from ten percent to seventy percent.

Since Aran is housing several lawyers among its staff, it is a logical step to set up such a service. It is also an excellent idea because anybody can approach Aran for juridical information without others to be involved. The necessary requirement is obviously a computer with Inter-

net connection, or a telephone. In addition there is a Municipal Resource Centre in Barda where this equipment is available, with two assistants to help. But this requires travelling to Barda. An extension of the number of resource centres in few municipalities could be considered. In case the target group is getting larger and the question likewise, it would be logic that Aran is asking a small amount for such services.

#### **viii. Advocacy and lobbying**

Both Aran and ERC are very active in lobbying for improving the position of municipalities. Both are also participating in the National Advocacy Group, which has been explained in section II-3. It so happened that after a national conference on municipalities, where the cabinet, ministries and NGOs participated, the Ministry of Economic Development gave a grant of \$ 100,000 to be used as credit for 50 families for income generating activities.

The group has been holding meetings with the Parliamentary Commission on Municipality Development on, among other things, the National Association of Municipalities. In addition the project has been holding roundtables with the SPPRED Secretariat, Executive Committee, and seminars on the role of municipalities in the socio-economic development of the region, and one on support to local self-government.

During the second year of the project period, the project has put more emphasis on advocacy. Many articles were published in local newspapers, two TV programmes were made, and all kinds of advertisements were distributed among the citizens.

It has become clear that during of the last couple of years the national government has adjusted and amended laws in favour of the position of municipalities. There is no doubt that the Advocacy Group has had a positive influence on these amendments. Its role in this field is without doubt indispensable, but, in future, will be taken over by the National Association of Municipalities.

#### **ix. Gender responsiveness**

The evaluation did not specifically go into the gender issue. But nevertheless it has become clear that women are heavily underrepresented in the municipalities. From those that were visited only one had a female chairman and one a female deputy. The representation of women in the group of members appears about 20 percent. But it is said at few places that, due to the trainings, the tendency (or acceptance) to work with women has improved. However, in general it could be stated that there is no indication that the municipality has changed its approach in favour of women.

Aran and ERC are advised to take the gender issue into the criteria for selecting municipalities.

#### **x. Conclusion on efficiency**

The number of activities and the persistency with which they have been undertaken is rather impressive. It appears that the resources that are available in the three executing NGOs have been used to its fullest extent. All organisations, whereby Aran appears to be strongly driven by its compassion for the municipalities, show an impressive zest. To work in the project area

with the heavily spread municipalities in an enormous area, with poor villages, and during winter in an extreme cold climate, deserves a lot of respect.

To this should be placed the remark that the NGOs could use their inputs so efficiently because the municipalities were in still such a state that they absorbed everything they received. The question is whether this will stay that way. The more they become developed the higher the demand will become and the critical they will be. In that sense, one could say that the mission of the project was relatively simple, as everything they did was happily received.

The first year of the project 20 municipalities have been supported with a list of trainings, among those strategic planning. The second year the intensity appeared to have been reduced and the emphasis was put on advocacy and public relation. As the staffs of Aran and ERC are limited, the project should not take too many different topics on its shoulder, and not enlarge the number of municipalities for the next phase. There is an impression that all in all the different components and the shift of focus did not form part of an overall long-term plan, but were implemented more or less in an ad hoc basis. In order to keep oversight on all activities, a more systematic planning of activities should be required.

Each project partner has developed a Plan of Operation for each project year. Aran has grouped the activities according to whether they fall under lobbying/advocacy, mass media campaign, or capacity building. However, the activities are general and have not been worked out in detail. ERC has grouped its activities in the project as follows: selection of new municipalities, participatory budget development, and technical assistance to municipalities. The GTM has his own groupings: development of the Municipality Youth Centre, youth employment support, and youth engagement in municipal activities. A much more detailed planning, based on intensive discussions among all the project partners would make the enormous number of activities and inputs much more orderly. There should be an overall *Project Plan of Operations*, including all partners. The limited resources available under the partners could be used even more efficiently.

It should also be mentioned that the activities so far refer only to a small group of municipalities. The question is whether the human resources could continuously be used so efficiently as soon as municipalities are not receiving material resources. In case the decision will be to go for an increment of the number of municipalities, it will be even more difficult to satisfy the target group on the long run. Therefore, a more intensive, vertical approach is recommended.

### **c. Effectiveness of the project**

*Effectiveness* refers to the relationship between the results of the project and the project objectives. It gives an assessment of the extent to which the project results have contributed towards the achievement of the project purpose.

#### **Objective 1**

*Improving the quality of local self-government by facilitating municipalities in exercising their responsibilities, supporting them in increasing their budget, and facilitating them in formulating budgets by means of participation of their citizens.*

The first year the project put special emphasis on capacity building of selected 20 municipalities. The second year it focused on mass media campaign, through TV programs, social advertisements and articles in printed media.

The project has undertaken an immense *capacity building* program for 20 municipalities who were covered by the project in the first year and another 19 during the second year. The list of topics is shown in the project Annual Reports. The most important subject matters were strategic planning, tax and financial management and budgeting.

The project has achieved that all these 20 municipalities did develop a *municipality strategic plan*. This was done by means of the citizens' participation. It appeared that the quality of the plans differed strongly. The project is claiming that those municipalities who applied participatory budgeting techniques, reported that their tax collection increased by 30 percent. The project has done a survey among the citizens and it claims that almost half of the respondents reported that they personally benefited from municipality services, whereas about 60 percent was saying that municipalities are now more capable to help the people. Though, ERC has a list of 28 municipalities that should have received its support, those who were given a computer and the necessary trainings comprises only a limited number.

Nevertheless, it was discovered that some municipalities were still involved in ad hoc service delivery, such as road construction, water provision, and installation of electricity supply engines, instead of long-term service provision. When the development of income-generating activities was considered, municipalities were eager to apply for credits. This illustrates a considerable change in municipality behaviour.

The project is indicating that it had examined in 2004-05 the actual revenue sources in 20 municipalities covered by the project. The main suggestion was to increase revenue sources of municipalities through:

- Expanding the list of municipality revenue sources/municipality assets (as described in the Law on Municipality Finance);
- Raising the amount of allocations from the state budget;
- Ensuring privileged taxation for municipality enterprises;
- Establishing a system whereby utility payments are collected by municipalities of 5 percent of the total amount being accumulated in the municipality budget;
- Raising funds from international donor organisations;

- Applying for credits from the special bank institutions accredited by the state for providing credits to municipalities.

These outcomes were presented at a regional seminar *Cooperation for the future of Municipalities* in April 2005. As an outcome of the seminar the Secretariat of State Program on Regions Development provided municipalities with the mechanism to participate in the implementation of the SPPRED.

Furthermore, the project established for the first time in Azerbaijan *Municipality Activity Monitoring (MAM) Groups*, to ensure sustainable accountability relations between municipality and community members. Municipality commissions have prepared strategic plans, jointly with MAM groups in all 20 municipalities covered in the first year. These plans largely focus on poverty reduction in terms of improving economic conditions in communities. The implementation of strategic plans was intended to start during the second year. The MAM groups are said to monitor municipality performance against activities as has been described in the strategic plan.

Moreover, in all 19 municipalities, so-called *community-based legal advice centres* were incorporated into the municipality structure to serve as municipality legal commission or department. In case it is a commission, it is formed out of municipality members, if it is a department, it is made up of hired professional staff. The Municipality Legal Commission is intended to be responsible for the following:

1. Reviewing and commenting resolutions, decrees and other legislation documents produced by municipality;
2. Ensuring that municipality documents are in accordance with the national legislation;
3. Commenting, if necessary, on issues brought to local referendum;
4. Assisting the municipality executive departments in preparing human resource procedures, i.e. employment contracts with new municipality members, etc.

These legal services are currently provided free of charge to poor men and women.

### ***Observation***

It could be concluded that citizens have been given the chance to participate in decision making through the Municipality Activity Monitoring Groups. That means that the structure is there, but it has been impossible, within the limited time that could be spent on visiting the municipalities, to assess whether participation has taken place at the level that the project has intended. Considering the poor condition that the municipalities are in and the limited resources they have, it is hard to imagine that the tasks set for these groups have been executed to its fullest extent. As membership is voluntary, and so far little additional resources have been generated, the sustainability of such groups do strongly depend on revenues, allowing them to bring theory into practice.

The formulation of budgets has been an exercise taken up by ERC and has been only undertaken in a small number of villages. Though, it has resulted in a significant increase of revenue, the sustainability and maintenance of the system very much depend on consistency. Considering the conditions the municipality members have to work in (electricity cuts, ex-

treme cold offices, poor furniture) there is some doubt about the sustainability of the system. The question is what will happen when the computer crashes and/or data is lost?

The overall question, whether the quality and accountability of local self-government has improved, cannot be answered unanimously. It also depends on how one considers accountability. Is it seen as 'responsibility' from the side of the municipality, to be seen as its commitment to improve the position of its citizens? Or is it considered as an obligation of the municipality to deliver services, which the citizens can have a claim on? The answer on the first interpretation is, in the short run yes. The project has certainly ignited a feeling of responsibility with the municipality members. Most members may in the beginning not have been aware of their tasks and responsibilities. But due to the capacity building interventions of Aran an ERC the awareness of being accountable, i.e. responsible, has certainly come about. Those members, who got the feeling that they will not be in the position to cope with these obligations, will not go for the next elections.

Concerning the second interpretation of accountability, allowing citizens to claim from the municipality members the supply of services, it is less clear. There is no indication that the citizens are now more on the heels of the members when services are not delivered. There seems to be a general understanding that municipality members are also very limited in providing these services. It may very well change as soon as the municipality is given the resources to improve the quality of services. The strategic plan that is being prepared through the Monitoring Group, wherein citizens are participating, will play an important role. As this group will also deal with the monitoring of the service or project and its follow-up.

In general, however, the project period is still too short to be able to identify whether the municipalities, who have been covered by the project, will be able to maintain the level that they are brought up to by the project. Most of the visited municipalities made a very positive and optimistic impression, but this is not sufficient. There should be some guarantees that these impressions will be transformed into real assets.

The only way that this can be done is by giving them credit facilities. This not only allows them to bring theory into practice, but also gives the opportunity to show how much their enthusiasm is worth. It is even recommended to go one step further and develop a system whereby municipalities are given certificates, based on their performance. The more certificates they get, the more facilities (or the higher the ceiling of the loan) they are entitled to. Bringing in the element of competition (which Aran has already done) will likely stimulate municipalities and their monitoring groups to perform optimally.

## **Objective 2**

*Satisfying the local population by having them participating in decision making, giving them better services, and bringing them at a higher level of awareness.*

The participation of poor citizens has been worked out in setting up the Municipality Activity Monitoring Groups. This institution is in principle a very good instrument for local people to participate in the decision-making on projects in their own community. By doing so these poor men's understanding will be raised through the learning-by-dong process. Ultimately this will slowly change his attitude and mentality towards the municipality and his own future.

However, this – again – is all well on paper. So far, this situation has not yet been achieved. There is still a lot of scepticism among the citizens about the performances of the municipality. This attitude is also blocking the ratio with the citizens of the accountable municipality. And it is easier to satisfy these sceptics than to change them. The question still stands whether such a change can be achieved. It very much depends whether the municipality is able to really achieve some material changes in the near future. Therefore, credit facilities are indispensable.

A final remark should be made on the privatisation of services delivering. There are sufficient reasons to believe that the services that are expected to be delivered by the municipality can be delivered even better by the private sector. There are many cases where this happens, for example with garbage collection, irrigation water supply, drainages cleaning, health services, technical services, etc. Therefore, outsourcing or subcontracting could be a suitable solution for municipalities to keep up its services to the required standard. However, and it is here reported again, there should be a facility for these enterprises (either municipality or private enterprises) to get money for investment.

### **Objective 3**

*Contributing to poverty reduction by improving the quality of life.*

As has been indicated several times above, a reduction of poverty cannot yet be identified in the municipalities, neither any improvement of quality of life. The present condition that the municipalities and their communities have been brought in, is absolutely hopeful for the future. It has become clear that the present approach of supporting municipalities with trainings and institutional development is absolute indispensable and can be considered as a necessary condition to development.

Municipality members should in the first place be made aware what municipalities are for, and what their right and obligations are. However, when these capacity building activities do not coincide with supplying the municipalities with some of the required resources, all the investments in human capital will get ashtray. It can become even counterproductive, as scepticism that still exists among the municipality members and the citizens, will be fed anew and failure will only confirm the already expected perception of empty promises. And it will then be even much more difficult to start any programme in these communities again.

Therefore, it seems to be a loss of investment in human capital, if the project is not supplying municipalities with a cocktail of capacity building and financial resources, to give them a chance to bring what they are learning immediately into practice. The sustainability of the project depends very much on this approach. It is strongly recommended to establish a form of a credit scheme that can satisfy this need.

In fact the project had already started a tractor service as one good example of entrepreneurship. The project is executed by Aran, who is using the following selection criteria:

- The municipality must have at least 600 ha land,
- There should be no dependence on Executive Committee,
- It should have shown own initiatives and transparency, involving the public,
- The municipality must have sufficient quality to operate the tractor,



- It should co-finance for additional equipment, like trailer etc. of about \$ 3,000.

Aran had received 14 applications and only 7 have been rewarded so far. The selection commission consists of members from Aran, Oxfam and others. The tractor cost 17,500 and has to be repaid (without interest) in 3 years. When visiting the municipalities, they were unanimously enthusiastic about this credit scheme. Their revenues had increased, and all were optimistic about when the repayment period of three years has been passed. Then the full lease amount would go into the municipality budget. However, there are some constraints. The repayment period of three years is too short; the municipality do not seem to really understand that tractors do need maintenance and have no eternal life. So, maintenance and depreciation are to be taken into account, including insurance and taxes. Moreover, there seems to be no institution, except the municipality itself, who is responsible for maintaining and repaying the tractor.

It is suggested to set up a credit institution, dealing with all credit applications. The form and structure that it should take requires a separate study. Also the way the Grameen Bank in Bangladesh is functioning could be looked into. It should be clearly structured, guided by strict rules and regulations, and be fully transparent. It may be set up in the form of a cooperative, independent institution, municipality enterprise, or a trust fund, but it is hard to assess at this stage, which is the most feasible construction. A proper business plan has to be worked out.

In other words, it is an absolute must to combine the present capacity building activities with those related to setting up a credit scheme for the municipalities. Municipalities are entitled to establish municipality enterprises and to apply for loans. They can invest in enterprises in agricultural equipment, irrigation water systems, taxi transportation, solid waste disposal, clearing land from industrial archaeological scrap, health clinics, ditches and channels cleaning, trading points (buying produce/selling requirements), etc. This could result into a win-win situation for the municipality and its citizens.

At the same time a development plan for the SME sector should be taken up, as entrepreneurial development is the engine of economic development. In this light it is important that particular attention is being given to women entrepreneurs.<sup>7</sup> There has been apparently a fund for SME development at national level under the Ministry of Economic Development. But there is no knowledge about its status at the moment.

---

<sup>7</sup> See OSCE, 2006.

#### **d. Impact and sustainability of the project**

*Impact* refers to the contribution of the project to the overall objective. An impact assessment usually also takes sustainability into account as strong impact usually comprises sustainability. In the frame of the present project sustainability has not been an issue yet.

##### **Overall objective**

*To improve the quality of local self-government in such a way that it will satisfy its citizens and reduce poverty.*

As has been said above, those municipalities that have been supported by the project have improved in capacity, knowledge and skills. Whether it has also resulted into a improvement of performance is still too early to judge. And whether this has lead to an improvement in the quality of self-government, let alone in the satisfaction of their citizens or even in reduction of poverty, is still a bridge too far. Municipalities have to be given an honest chance to show their knowledge and skills by implementing and maintaining real projects.

Based on the level of performance of municipalities under the present conditions, with support from the project, it is proposed to focus on a small number of municipalities, supplying them with resources as well. A larger geographical spreading, including more municipalities to be covered by the project, will increase the risk of failure. The attitude of citizens is rather pessimistic concerning municipalities. That means that the minds of these suspicious people can only be changed when they see material improvements. Therefore, it is advised to rather concentrate with all available resources on a small number of municipalities, than to weaken the effect by sharing the resources among many. The number depends very much of course on the total new budget. But assuming that the new phase will include a credit scheme, it would be easy to calculate the amount that would be necessary for each municipality in order to give it comprehensive, full-fledged support.

## IV CONCLUSIONS AND RECOMMENDATIONS

### 1. Conclusions

#### *General remark*

The conclusions should start with expressing my deep respect for the input and commitment that the organisations show in realising the project objectives. The working conditions are extremely difficult: politically and culturally, but also in terms of institutional infrastructure, communication facilities, road infrastructure, and – not in the last place – climate. I am impressed with the results so far achieved, and I would like to congratulate the project with its success.

#### *Administrative infrastructure*

It has been indicated in many publication that the best solution to improve the efficiency of municipalities is by aggregating them into larger administrative units. It would give them much more facilities to generate revenues and establish service centres, such as clinics and schools. Municipalities could then also issue certificates, such as with birth and marriage. An amalgamation of municipalities to a minimum of 10,000 inhabitants is recommended. It would make it easier for municipalities to set up and maintain important service institutions, such as clinics and schools.

Another important issue in Azerbaijan is the fact that there is no provincial, regional or rayon administrative level in-between central and local government. This makes the urge to enlarge the municipalities even more pressing.

Finally, the criteria for distributing the grant from the central government budget among the municipalities is presently done based on population. It would be reasonable to include criteria like location (either or not remote), having special problems, etc.

#### *Basic principles*

Any form of decentralisation and local governance should consider at least two fundamental principles:

- *Checks-and-balances*: a trade-off between freedom and control at the level of the local government;
- *Ownership*: the feeling of really controlling ones own future at the level of the communities.

Both concepts are related. I have not come across these concepts during my evaluating period. The present situation, whereby the executive and controlling functions are combined in one organ, i.e. the municipality (council), is not an adequate solution. With the present structure, the municipality will in the course of time, become a similar undemocratic institution as the Executive Committee is at this moment. A structure, based on *trias politica*, i.e. a separation between executive, controlling and legal power, has to be looked for. It is now the mo-

mentum, when still everything is in progress, to set up a real democratic structure. In line with this and the former topic, it is proposed to have within the municipality (to be considered as an administrative unit), as a basic set up, at least three organs. These can be called as follows:

- Executive committee, consisting of mayor/chairman and few portfolio holders. This forms the management of the municipality and can prepare policies;
- Controlling/decision-making body, being an elected council. All policies prepared by the mayor/chairman should be approved by the council;
- Legal office, assessing whether decisions that are taken are legal.

There is no doubt that the development of an adequate structure in the context of the present situation in Azerbaijan should require still lot of research. The more so, as such a democratic structure should go hand in hand with an amalgamation of municipalities.

#### *Internal communication*

The structure of the project, whereby the implementation is given to three different NGOs, with more or less similar objectives, is risky. This will only work when all parties have agreed on important components:

- Presentation of the project to the outside world
- Project components
- Division of tasks
- Approach of project
- Applied tools
- Ownership of outcomes

In other words, there should be worked out an overall Plan of Operations *for the whole Project*, involving all partners. It appears that within the present project not all of these issues have yet been discussed. This is very important, as ERC is also going to develop guidelines for strategic planning. Competition within the team is usually not the best guide for success. Complementarity should be the ruling principle. Agreement on these issues is strongly recommended for the next phase of the project. The combination of more popular Aran and an academic ERC is considered to be a fruitful one.

#### *External communication*

In line with the paragraph above, it appeared that several NGOs are being or going to be engaged in research on different topics related the local governance. As some research is also directly affecting project activities is seems a logic idea to establish a group where all these NGOs share the outcome of their research and discuss the applicability for municipalities. Such a group, called Municipality Coordination Group, could meet quarterly.

#### *Training*

The abundance of trainings given is impressive. Because of the number of subject mattes, number of trainings, number of recipients, and the fact that more than one NGO is responsible for giving the trainings, there is puzzlement about the overall training list, at least for an outsider. The trainings seem to have been given on a more or less haphazard way, based on a

need assessment with the municipality members. It would be advisable to streamline all capacity building activities within one overall and comprehensive Capacity Building Plan for the period of the project. The trainings should include all possible other subject matters that are to be dealt with, such as entrepreneurship training for setting up municipality enterprises. The identification of the subjects should not only be based on need assessments, but also the general understanding of what municipalities should know in any case.

It is proposed to make a division between on one hand the work on preparing approaches, methodologies, planning, etc, and on the other hand the actual giving the training. An ERC cannot do everything. Therefore, attached to such a capacity building plan, it is advisable to identify a fixed Training Team that is going to do all the trainings, whereby each trainer will be engaged in the training that fits best with his or her quality. Each trainer should have a shadow colleague in case he or she becomes ill. Not only regularity in time gives confidence to the recipient, also regularity in faces. The members of the team do not necessarily need to belong to the present project partner NGOs, and can even be recruited from municipalities.

### *Strategic Plan*

As has been indicated above, it should be avoided that within the project more than one format and model for strategic planning is going to be used. It may be a good idea to develop a more sophisticated model than the one that is presently being applied. The question is whether it is advisable for the small villages in the project area. The first question is of course why a more comprehensive format is required? Was there something wrong with the old one? Has it been not an adequate instrument? I have not heard of any of these things. In any case, the project should apply one model for all municipalities and the participating NGOs have to agree upon this model. It would be even already remarkable when different systems are being used inside and outside the project area. In case that municipalities will become as large as 10,000 citizens, they may have to apply a more sophisticated strategic planning methodology.

### *Municipality Monitoring Group*

The implementation of Municipality Monitoring Groups is an excellent idea. The members will also have to be trained, which already has happened. The question is whether such groups are sustainable. They consist of volunteers and without being able to show success, they will, after some time, no longer be taken seriously. Therefore, also in this context, it is indispensable to supply municipalities with resources to bring theory into practice. In case a new institutional structure within the municipality is going to be realised, the tasks of this group will most likely be taken care of.

### *On-line legal services*

The setting of on-line legal services is also an excellent idea, under the conditions that the facilities to make contact are available. It would be a good idea to establish auxiliary branches of the Barda resource centre in few municipalities, where the facilities are available.

### *Municipalities versus Executive Committees*

It is hard for municipalities to follow the rules of law as has been set for them. When discussing with state officials, either Executive Committees or officials in Baku, they are referring to

the laws, as if these are without any doubt. However, when municipalities have proclaimed their rights in accordance with the law by fighting against the interference of the Executive Committee, it has resulted in difficulties (there are even cases of short periods of imprisonment) and it seems that further support from central government, such as repairing main connecting roads, can be forgotten. There are also few cases where the chairman was forced by the Executive Committee to resign. It is amazing how easily government officials can make reference to official's documents, apparently closing their eyes for reality.

Therefore, it could be concluded that very few chairmen of municipalities dare to go against the Executive Committee chairman, though it is formally his right. However, the apparent fear that seems to exist with central government to supply municipalities with too much power is irrational. The government should understand that local governments, when they are functioning properly, form an asset for the country. They will support the government in helping the country and its citizens to develop and to improve the quality of life of its citizens. Government would get stronger support from local institutions the more they are given the chance to work on their own future. Revolutions have only come from dissatisfied people. This suspicion with central government is such an inherent component of the political structure that it requires a complete change of political climate. It should be realised that strong local self-governments take a lot of trouble out of the hands of central government.

The same can be said about Associations of Municipalities. If there would be one national Association of Municipalities it could be the mouthpiece for all local governments and the focal point for the national government towards the municipalities. The National Association could take the place of the National Advocacy Group.

#### *Working conditions in municipalities*

It has been described already above, but the working conditions in the municipalities are extreme in wintertime. As the offices are not heated and awfully cold, work satisfaction is far to be found. It appears to be indispensable that the municipalities, when they receive a computer, that this will be accompanied with some basis furniture and a simple heater.

#### *Credit facilities*

It has become very clear that the present approach of supporting municipalities with trainings and institution development is indispensable. Municipality members should be made aware what municipalities are about and what their right and obligations are. However, when these capacity building activities do not coincide with supplying the municipalities with some of the required resources, all the human investments will go ashtray. This is even counterproductive, as it feeds the already existing scepticism. It will be even more difficult to start any programme in these communities again.

Therefore, it seems to become a loss of investment of the project if municipalities are not being given, in combination with capacity building, the resources to bring what they have learned and are learning into practice. The sustainability of the project depends very much on this facility. It is strongly recommended to establish a form of a credit scheme that can satisfy this need. The experience the project has with setting up a tractor service is one good example of entrepreneurship, and could be called a success.

The way how a credit facility has to be developed, the structure, management, selection commission, procedures, criteria, etc. will still require a lot of research and debate. It may be a good idea to start in those municipalities that have already a good name in being proactive.

### *Selection of municipalities*

The selection of municipalities has so far been based on criteria that are independently prepared by Aran and ERC. Though, these do not differ very much, it would appear rather strange for the target group when the project applies two different sets of criteria. It would be not such an effort to find few common criteria that could be used in future. The criteria should included a gender issue.

Moreover, there is still no agreement on whether the number of municipalities should be extended or not. ERC is indicating that it intends to go into a larger geographical, and also Aran has a similar idea. I would rather go for a concentrated, comprehensive approach, whereby the selected municipalities are receiving all the inputs they require, not only with capacity building, but also material resources.

### *Horizon pollution*

It appears that the heritage of the former communistic regime not only transpires in the extreme slow germinating process of democratisation in Azerbaijan, but also in the general indifferent attitude towards environment and nature. I could see, when crossing the project area, everywhere, far away or at the roadside, industrial archaeological remnants: old dilapidated factories apparently from ages ago, collapsed powerhouses, crashed electrify posts, and water channels that were build during the soviet period over long distances but with failing components. But also gas pipes can be seen almost everywhere, mostly rusted and very often broken down, not only spoiling the gas, but also preventing the community to get energy. All this ugly, depressing public furniture should be removed. It could be soled to the local enterprises making gravel.

## **2. Recommendations**

### **Internal communication**

It is advised that the partners in the project are holding *regular meetings* to discuss the many components they are dealing with. Approach and applied formats will have to be unanimous. Topics that have to be agreed upon are:

- Presentation: all NGOs should have a unified presentation on the project, independent of the components each is dealing with, and other projects one is engaged in.
- Selection of municipalities: the criteria for selecting municipalities should be unified for all partners.
- Division of tasks: it must be clarified from the beginning who will be responsible for what. There is no need that the one who is doing the training on, say planning, also should be the one who has produced the format.

- Format: it could be easily agreed upon to make a small ad hoc group that is preparing the format for certain important components, such as strategic planning and taxation.

The project should develop its own *overall and comprehensive Project Plan of Operations*, clearly indicating all activities and responsibilities, including all partners.

### **External communication**

To exchange research findings and try outs of formats it is recommended to set up a *Municipality Coordinating Group* with participants from all NGOs in the country who are in one way or another working on the issue of local governance.

### **Vertical approach**

As the members of staff of Aran and ERC are limited, it is recommended to rather focus on a *small number of municipalities, but very concentrated*, rather than to dilute the support over a larger number. The selection of municipalities should in any case include its past-performance and its willingness to participate in full speed, as well as the attitude to include the gender issue.

In this light it is recommended to *slowly reduce the support for the Youth Centre* in Mingechevir during the next phase of the project in favour of the village municipalities.

### **Certification**

Aran had organised a kind of competition combined with the training on strategic planning. During our visit to the municipalities it was mentioned proudly when one had got a second or first place. The demonstration effect is a sound method to promote proper government. It is recommended to set up a kind of *rewarding system* by certifying municipalities who have shown adequate or excelled performances. Based on the number of certifications the municipalities are entitled to receive more support.

### **Capacity building plan**

A long-term *Capacity Building Plan* has to be developed comprising all trainings to be given (not necessarily based on requests from the target group), formats, tools, period of time, etc. But it is also important to include a proper follow-up programme to keep the members up to date. A new training component could be focussing on entrepreneurship (municipality enterprises).

### **Capacity building Team**

In addition it is advised to set up a *Capacity Building Training Team*, comprising members from the project partners and experts from outside that will contain the best quality trainers and can build up an insituational memory. This is to avoid that everyone is doing everything. Moreover, in order to make a clear division of tasks between project manager, researcher and trainer such a team could help to make a more efficient use of the limited number of staff. It is recommended to enlarge the team with members from other organisations with the sole task to participate in trainings.



## **Office facilities**

As the offices are hardly being heated in winter, working efficiency is low. It is recommended that when a municipality is given a computer, that this will be accompanied with some basis furniture and a *simple heater*.

## **Credit facilities**

As an integrated component of the support to the municipalities a *credit facility* has to be set up. The format, structure, procedures, management, criteria for applicants, selection commission, etc., will all still have to be worked out in detail.

## **Municipality Monitoring Group**

The setting up of such groups in the municipality is an excellent idea. They could, however, not yet be properly evaluated, as they are only functioning for a very short period and still without sufficient resources. If these groups turn out to be a success, they should become a standard component in all municipalities as a part of strategic planning.

## **Strategic planning**

Strategic planning is the basic activity for development of a municipality. The project team of all partners should agree upon the level of complexity that should be applied in the villages and which in the cities.

## **Municipality Resource Centres**

It is recommended to set up, in addition to the Municipality Resource Center in Barda, few auxiliary resource centres in selected municipalities, where the necessary facilities will be established. This could form part of the certification procedure of municipalities.

## **Tax system**

Concerning the maintenance of the tax system in the municipalities, the following is recommended:

- Nominate one systems manager, who will be made responsible for the maintenance and keeping up of the system,
- Develop a code concerning privacy of data,
- Be sure to make regular back ups of the data.

## **Horizon pollution**

It is suggested that the project would start a campaign for all municipalities to take down and remove all the unused subjects on their territory, which are polluting the horizon, and let them sell it as scrap for recycling. It would take away the visual signs of devastation and failure from the scenery of the project area. Use a slogan like "Make your future more beautiful".

# ANNEXES

# ANNEX 1

## Terms of Reference

### External Evaluation for Self-Governance and Role of Municipalities in Poverty Reduction Project

#### Introduction

Among other ways, poor people's involvement in decision-making processes is exercised through their participation in the local self-governance. In Azerbaijan, general confusion reigned with regard to what were institutions of local self-governance. According to Article 142 of the Constitution of Azerbaijan Republic<sup>8</sup>, local self-governance is carried out by municipalities formed through elections. However, *de facto* local self-governance was exercised through a number of institutions, that were (i) local executive committees [the State executive authorities]; (ii) municipalities; and (iii) community-based organisation. The latter did not prove to be an effective mechanism of self-governance and were shadowing municipalities. In addition, according to the state decentralization policy in Azerbaijan, existing community-based organisations are suggested to be incorporated into the municipality structure.

Municipality, as a self-government institution, is quite a new phenomenon in Azerbaijan. First Municipal Elections were held in 1999, when, despite significant irregularities reported by both international and local observers, about 2,673 Municipal Councils were established throughout Azerbaijan, excluding the territories occupied by Armenian forces<sup>9</sup>. The second municipal election was held in 2004 and 2735 number of municipalities were re-elected<sup>10</sup>.

Despite the declared focus on municipality development and the number of legislative documents regulating municipality activities<sup>11</sup>, responsibilities of the local executive committees overlap with those of municipalities<sup>12</sup>. There is no legislative document that would explicitly define the division of authority between local executive committees and the municipalities.

Municipalities in general had very marginal understanding of their roles and responsibilities. Although the legislation defines municipalities as a part of a "non-governmental system"<sup>13</sup> independent from any local state administration authority, in many regions "municipalities were considered and consider themselves as branch of the executive authority to represent President at the spot"<sup>14</sup>. On the other side, central government authorities were very reluctant to transfer power to local self-governance, whereas the local state administration officials were very anxious about losing control over regional property. In most cases, Executive Committees usurp areas delegated to municipality jurisdiction; in many cases, actual power at local level were exercised by Executive Committees.

---

<sup>8</sup> [http://www.oefre.unibe.ch/law/icl/aj00000\\_.html#S004\\_](http://www.oefre.unibe.ch/law/icl/aj00000_.html#S004_)

<sup>9</sup> Azerbaijan Human Development Report 2002, <http://www.un-az.org/undp/nhdr/ch3/35.asp>

<sup>10</sup> State statistics committee

<sup>11</sup> (i) Law On Municipal Service; (ii) Law on Municipal Finance; (iii) Law on the Status of Municipalities; (iv) Law on the Transfer of Assets to Municipalities, etc.

<sup>12</sup> The statement is developed on the basis of continuous observations conducted in Central Azerbaijan; it has been confirmed in the *Manual for Councilors in Azerbaijan* recently published by IFES.

<sup>13</sup> The Law on the Status of Municipalities, Article 14.4.

<sup>14</sup> OSI-AF Mission within Local Government and Public Service Reform

## **Oxfam's intervention**

In order to develop municipalities as institutions of self-governance that give voice to poor people and formulate pro-poor policies Oxfam with the financial support from ICCO launched the Local Self-Governance and the Role of Municipalities in Poverty Reduction Project in 2004 (see also project proposal submitted to ICCO). According to the project's intervention logic, by empowering the municipalities we will enable them to represent the poor peoples' interest in all levels and contribute towards poverty alleviation and democratization in Azerbaijan.

According to the project proposal, during the 1<sup>st</sup> year of the project implementations selected pilot municipalities should be received number of trainings on their rights and responsibilities, involve communities in all areas of municipality functioning and decision making, exercise new techniques of participatory budgeting, develop municipality strategic and social development plans etc.

During the 2<sup>nd</sup> year, the project outcomes and innovations should be duplicated to more geographic area and national levels, and advocacy and lobbying efforts should be incorporated in order to achieve policy changes in local self-governance. 3<sup>rd</sup> year should be more focused on developing municipality infrastructure and enable municipalities to provide public services for the communities.

The first two years of the project implementations produced significant outcomes (also see interim report for Nov'05 and 1<sup>st</sup> year final report for July 05). 40 municipalities in central Azerbaijan were trained in all areas of municipality development; the new participatory municipality budgeting technique increased municipality financial inflow up to 200%; municipality organizational structures were reformed in accordance with the legislation; municipalities were enabled to provide legal advices, agricultural support services for the communities.

As the result of advocacy and campaign efforts number of changes were made in national legislation related to local self governance: (i) President signed Decree on Regional Associations of Municipalities (The law was drafted and proposed by Aran, July 2005), (ii) The law on Model Regulations of Municipalities Union have been raised to 1st hearing at National Parliament (originally initiated by Aran), (iii) the Azeri Law on Big City Municipalities which was initiated and advocated by Aran were raised to discussion in the National Parliament, (iv) the changes were made in the Codex of Administrative Offences forbidding the municipalities servants' salaries to be lower of minimal salary level (initiated and advocated by Aran)

The 3<sup>rd</sup> year of the project will be more focused on supporting the municipalities in providing different public services to the communities and supporting the development of newly established Karabakh Municipality Association. In addition, more efforts will be made to institutionalize our project outcomes from the previous years through advocacy efforts with the national government as well as Municipality Associations.

## **General context and expected outcomes**

As it was stipulated in the agreement signed between Oxfam and ICCO, during the 3<sup>rd</sup> year, the project should be evaluated by external evaluator. The overall aim of the evaluation is to assess effectiveness and efficiency of project activities in terms of achieving claimed impact. Evaluation will look into our long-term impact objectives and help us clarify (i) what strategy renders the most effective/efficient results in terms of achieving our impact objectives; (ii) what strategy does not work and why; (iii) how the strategy shall be modified in the future to achieve our long-term impact objectives; (iv) how to make municipalities' work to be gender-responsive. Results of evaluation will be fed into the planning of our municipality development strategy for the next 5 years.

We look to answer the following questions:

- How effective and efficient were project activities in raising the poor man and women's understanding on the roles and responsibilities of selected pilot municipalities? What did change in people's attitudes and behaviour (towards municipalities) as a result of "raising their understanding about roles and responsibilities of municipalities? Can we claim an "improved accountability" as a result of this "raised understanding"? Were there any improvements in service provision by municipalities as a result of better communication between people and municipality members? Were those services provided in a gender responsive way?
- How effective and efficient were project activities in raising selected pilot municipalities' understanding of their own role and responsibilities as representatives of local self-governance? What did change in municipalities' attitudes and behaviour towards their role as local self-governance institutions? Can we claim an "improved accountability" resulting from municipalities' better understating of their roles and responsibilities? Whether "improved understanding by municipalities of their roles and responsibilities" had any impact on service provision? If yes, describe specific mechanisms explaining link between these two variables.
- How effective were project activities in raising the selected pilot municipalities capacity in formulating policy decisions derived from the needs of poor men and women? What specific capacities were improved? Where there any improvements in service provision as a result of developed municipality capacity? If yes, what specific municipality services improved and how?
- How effective and efficient were project activities in chaining and reforming the national legislations and policies related to municipalities in Azerbaijan. Where there any improvements in service provision as a result of these changes in legislation? If yes, what specific municipality services improved and how?
- What is the best strategy for replicating project findings throughout the country?

In addition, we are currently looking into the issue of service provision by municipalities; to be more specific we are concerned with the question of what services are most effective and efficient if/when provided by municipalities. We do acknowledge that answering this question is out of scope of present evaluation. However, we will highly appreciate if evaluator will help us identify types of analysis we need to answer the question at stake.

The output of the evaluation will be the detailed evaluation report.

The evaluation will include (i) documentary analysis – analyzing the project design, final and interim reports, and other documentation produced during the project implementation, (ii) sight visits – evaluator should visit the project sight and discuss with the municipalities, community members, and other project beneficiaries, (iii) meetings with the project management and other stakeholders – evaluator should talk to all project partner organizations and their staff members, as well as government representatives participated in the project implementation.

### **Costs and timeline**

Consultancy will be conducted by an independent expert at the second quarter (July 2006) of the 3<sup>rd</sup> year of project implementation. The evaluator should get familiar with the project documentation prior to the travel to Azerbaijan. During his/her travel he/she will work at Oxfam's and/or Aran's office for the week period and travel to the project sites. The final evaluation report should be submitted to ICCO and Oxfam maximum one month after evaluator finishes site visits.

## ANNEX 2

### Itinerary and meetings

Peter van Tilburg (VNG-International)  
Azerbaijan, November 26<sup>th</sup> – December 13<sup>th</sup>, 2006

#### November

Sunday 26 <sup>th</sup>	Travelling from Amsterdam to Baku	
Monday 27 <sup>th</sup>	<i>Oxfam Office</i>	
	Ms. Shovcat Alizadeh	Country Project Manager
	Ms. Leyla Karimli	Program and Policy Officer
Tuesday 28 <sup>th</sup>	Travelling to Barda: visiting project area <sup>15</sup>	
	<i>Aran Humanitarian Regional Development Organisation</i>	
	Mr. Rauf Aliyev	Executive Director
	Mr. Elsever Asgeron	Project Coordinator
	Mr. Tahir Muradov	Capacity Building Officer
	Mr. Ramiz Abdyllyayev	Lawyer
	Mr. Nizami Gahrananiou	Research Officer
	Mr. Sevindj Orujoua	Municipality Liaison Officer
	Mr. Amil Mamedou	Information Assistant
Wednesday 29 <sup>th</sup>	<i>Executive Committee Barda Region</i> <sup>16</sup>	
	Mr. Hasay Mertiev	Deputy Chairman ExCom
	<i>Municipality of Barda</i> <sup>#*</sup>	
	Mr. Ogtay Maharramov	Chairman Municipality
	<i>Credit Union Barda</i>	
	Mr. Vahid Rzayev	Chairman Credit Union; Chairman Municipality Mehdili <sup>#</sup> ; Businessman
	<i>Education Department Barda Region</i>	
	Ms. Rahila Ismayilova	Head Education Department
Thursday 30 <sup>th</sup>	<i>Municipality of Muğanli (Rayon Barda)</i> <sup>#*</sup>	
	Mr. Rafiq Aliyev	Chairman Municipality
	Mr. Arif Mustafayev	Chairman Budget Commission
	Mr. Humbat Garashov	Chairman Agrarian Commission
	Mr. Perviz Shukurov	Chairman Legal Department
	Mr. Vidadi Abbasov	Chairman Korpugiran municipality (neighbouring)
	<i>Municipality of Xanərəb (Rayon Barda)</i> <sup>#*</sup>	
	Mr. Cavid Abdullayev	Chairman Municipality
	Mr. Shahsufar Cafarov	Chairman MAM group
	Mr. Etibar Mammadov	Chairman Budget Commission (Non-municipality)

<sup>15</sup> Municipalities indicated with # are covered by Aran; with an \* by ERC.

<sup>16</sup> When visiting the municipalities always the chairman was present, very often the deputy and often other members as well. Except for Barda municipality, not all their names could be collected. Moreover mostly only few were taking part in the discussion.

<i>Municipality of Alibəily (Rayon Ağdan) #</i>	
Mr. Fazil Hatamov	Chairman Municipality
Mr. Rahim Rzayev	Chairman Legal Commission
Mr. Roshan Agayev	Chairman Economic Issues Commission
Mr. Asif Aliyev	Member Agrarian Commission
Mr. Ramin Pashayev	Member Budget Commission
Mr. Ali Aliyev	Member Legal Commission

## December

Friday 1<sup>st</sup>

<i>Municipality of Cinliboluslo (Rayon Goranboy) #*</i>	
Ms. Manya Allahverdiyeva	Chairman Municipality
Mr. Mahammad Aliyev	Deputy of Municipality Chairman
Mr. Rasim Suleymanov	Chairman Social Issues Commission
Ms. Penah Babayev	Chairman Legal Commission
Mr. Ilgar Gasimov	Chairman Economic Issues Commission
Mr. Evez Abbasov	Accountant

<i>Municipality of Seydimli (Rayon Tartar) #</i>	
Mr. Mahir Qadimov	Chairman Municipality
Ms. Tarana Nuriyeva	Deputy of Municipality Chairman
Mr. Edalet Isayev	Chairman Ecologic Issues Commission
Mr. Afer Abdullayev	Member Legal Commission
Ms. Elyane Gadimova	Secretary Municipality Chairman
Mr. Narmina Gasimova	Accountant

<i>Municipality of Mirzəxan Qaraqoyunlu (Rayon Barda)</i>	
Mr. Rafik Achmadov	Chairman Municipality
Mr. Aziz Shamilov	Municipality member

<i>Municipality of Hacalli (Rayon Barda) #</i>	
Akif Emədov	Chairman Municipality
Mr. Celil Nadirov	Chairman Ecologic Issues Commission
Mr. Vagif Sefiyev	Deputy Municipality Chairman
Mr. Fizuli Huseynov	Taxes officer
Mr. Ilgar Huseynov	Chairman Legal Commission

Saturday 2<sup>nd</sup>

<i>Economic Research Centre (ERC) in Municipality Resource Centre, Barda</i>	
Mr. Rovshan Agayev	Programme Coordinator ERC
Mr. Amil Sataroliyer	Research Officer ERC
Ms. Isman Babayesa	Officer Resource Centre
Mr. Ehtiram Eydazos	Officer Resource Centre

<i>Municipality of Köçərli (Rayon Tartar) *</i>	
	Chairman Municipality

<i>Municipality of Ismayilbəyli (Rayon Tartar) *</i>	
	Chairman Municipality

<i>Municipality of Qaratəpə (Rayon Barda) *</i>	
	Chairman Municipality

Sunday 3<sup>rd</sup>

Report writing

Monday 4 <sup>th</sup>	<p><i>Youth Education Centre (YEC) in Mingachevir</i></p> <p>Mr. Khagani Ismayilov      Head Youth Department  Mr. Yaver Shahbazov      Project Coordinator  Mr. Ramin Cavadov      Supervisor  Mr. Elias Majdalani      Peace Corps volunteer</p> <p><i>Municipality of Mingachevir</i></p> <p>Mr. Aligismet Kazimov      Chairman municipality  Mr. Zahid Qasimli      Head PR and Communities Department</p> <p><i>Executive Committee of Mingachevir</i></p> <p>Mr. Yunus Yolchuyev      Head Publications and Political Department</p> <p>Travelling back to Baku</p>
Tuesday 5 <sup>th</sup>	<p><i>Eurasia Foundation</i></p> <p>Ms. Naila Hashimova      Program Manager</p> <p><i>Organisation for Security and Cooperation in Europe (OSCE)</i></p> <p>Ms. Ingrid Angela Gössinger      Democratisation Officer</p> <p><i>Municipality Advocacy Group (at ERC)</i></p> <p>Mr. Gubad Ibadoglu      Chairman ERC  Mr. Rovshan Agayev      Coordinator Municipality project, ERC  Mr. Azer Mehtiyev      Coordinator Budget Transparency Project, ERC  Mr. Iltizam Arbarli      Member of Parliament  Mr. Aydin M. Aslanov      Local Government Expert, Azerbaijan University</p>
Wednesday 6 <sup>th</sup>	<p><i>Parliamentary Commission on Regional Development</i></p> <p>Mr. Asif Rahimzadeh      Chairmen  Mr. Ias Halmamroov      Commission member  Ms. Zumrud Novruzova      Commission member</p> <p><i>Ministry of Taxes</i></p> <p>Mr. Akif F. Musayev      Head Tax Policy and Strategic Research Dept.  Mr. Hafir Mammadav      Head Sub-Department, Municipality Devt.</p>
Thursday 7 <sup>th</sup> - Monday 11 <sup>th</sup>	Report writing
Tuesday 12 <sup>th</sup>	Presentation of findings and suggestions at Oxfam
Wednesday 13 <sup>th</sup>	Travelling from Baku to Amsterdam



## ANNEX 3

### References

Aran Humanitarian Regional Development Organisation, *Main Reasons for Lands Remaining Uncultivated in Central Areas and Impacts upon Employment and Social Welfare of the Population*, Situation Analysis, Baku 2003.

Azerbaijan Republic, *State Programme on Poverty Reduction and Economic Development (SPPRED), 2003-2005*, Baku 2003.

Fiscal Decentralisation Institute for Central and Eastern Europe, *Problems of Fiscal Equalisation and Decentralisation of Local Governments in Azerbaijan*, by Gubad Ibadoglu Bayramov, Nov. 2006.

OSCE, *Need Assessment Mission Report in regards to local women's needs for legal and psychological advice and support, vocational training, and opportunities for entrepreneurship in the Lenkoran region*, Baku 2006.

Weitz Center for Development Studies, *Needs Assessment of Municipal Services Development, Azerbaijan; Tovuz, Mingechevir and Goychbay*, 2005.

**[Annex Removed]**

**ANNEX 4**

**Map of the project area**

© Oxfam GB 2009

First published online by Oxfam GB in 2010.

This document is part of a collection of programme evaluations available from Oxfam GB in accordance with its evaluation policy.

This document was originally written for internal accountability and learning purposes, rather than for external publication. The information included was correct to the evaluator's best knowledge at the date the evaluation took place. The views expressed in this report are those of the author(s) and do not necessarily reflect Oxfam's views.

The text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for reuse in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. Email [publish@oxfam.org.uk](mailto:publish@oxfam.org.uk)

For further information on the issues raised in this document email [phd@oxfam.org.uk](mailto:phd@oxfam.org.uk)

Oxfam is a registered charity in England and Wales (no 202918) and Scotland (SC 039042). Oxfam GB is a member of Oxfam International.

**[www.oxfam.org.uk](http://www.oxfam.org.uk)**