

Creating lasting effects

The sense of ownership felt by the target population in the achievements of the programme is its most important aspect. This is the guarantee of a long-lasting achievement:

Key Points



- It is important to focus on durable achievements. These are the assets created by the programme that are valued by groups of local stakeholders.
- The achievements are most effective when they are publicly shared in ways that external stakeholders can trust.

Focusing on 'ownership'

Incentivizing participation in programme activities required communities to perceive its lasting value. This meant delivering tangible and manageable assets that the stakeholders could understand, use, and own. Communities needed to see opportunities for survival and growth in the assets created and in the positive mindset which contributed to their development. By addressing the root-causes of socio-economic under-achievement – issues of ownership, empowerment and rights and responsibilities of communities – the stage was set for long-term involvement; providing additional benefit by building capacity and structures that could extend beyond the life of the project to address longer-term challenges.

The programme's approach was pragmatic: focusing on existing and highly-prized institutions. Intervention sought to improve access to basic services for communities. Rehabilitation sites of highest interest most frequently included those enabling access to potable water and irrigation, as well as the arrangement of cattle watering troughs. Other priorities include social infrastructure improvement like village ceremony halls, fencing of agricultural plots and cemeteries. In earlier years, the programme carried out rehabilitation

work to improve sports facilities or the sanitary conditions of public schools, where school administration was taking responsibility for maintaining the results. Some rehabilitation projects restored damaged infrastructure. As a result, communities clearly saw the value of such small-scale public infrastructure projects, overcoming the risk of a lack of ownership.

Much of the literature on social investment emphasises the need for sustainability, defined as the continuation of the benefits of a programme after its donor support ends. Dependence on new funding makes sustainability one of the most challenging aspects of community development as it assumes that the outcomes achieved will mechanically lead to a viable self-financing business model, or to new alternative sources of donor financing.

International discourse and policy analysis on development points to the frequent failure to achieve sustainability – as reflected in the vast majority of evaluations conducted of bilateral and multilateral development assistance. It is widely held that this must be compensated for by shifting the focus onto the creation of an enabling environment for growth: capacity building of local partners, influence, dia-





logue, the creation of standards and rankings, and other similar activities. This means that a large part of international co-operation is now consumed with non-material effort, dedicated to policy dialogue, governance, and institutional development as goals in themselves.



Oasis in the steppe' is a cherry plum orchard in the village of Kotishi which attracts the eye of anyone travelling on the road through the valleys of Tetrtskaro valley. Before the programme, Kotishi did not have proper water supply. "Before water was supplied to the households only once a week by donkeys carrying water from nearby villages. This was not sufficient even for drinking."

Jemal Shukvani, Local farmer



He now uses the programme-supported irrigation channel to water the green spot he has created on the dry yellow land. Below the trees the farmer plants alfalfa, used for fodder, as an additional source of income and provide fertiliser.

BP Georgia and its partners, on the other hand, took a radically different approach. Contrary to what often prevails in the development literature and practice, the approach has been to cultivate tangible outputs, and to work with targeted individuals and villages who would then themselves adopt the outputs of the programme. The focus on material and practical aspects of clear relevance to the communities was paramount.

As a result of the robust physical nature of the assets delivered, the programme has built-in longevity: in orchards, water systems, community meeting halls, and other physical assets of value to the community. Their value has been ensured by a careful consultative process in which those involved have felt pride in the achievements made.

The benefits to the communities show no sign of waning. For example, almost half of the start-up firms funded under CDI have realized a return on their investment in the first year and a few firms are high performers. Very few firms have a negative return; the majority, whose investment is comparable to the likely return, will break even or show a profit within the grant period. This has resulted in real business value.

Visible and public actions

The policy of working closely alongside the interests of specific groups was not without risk. The programme could have been captured by individuals, families, or cliques, aiming to take advantage of BP's resources for private gain. This was a particularly high risk in communities comprised of different ethnic groups, which ranged from Georgians from various regions and faiths (migrants forced to move by conflict or climate change), Greeks, Azeris, and Armenians. In these locations, people had been more isolated for decades and often lived in an informational vacuum due to not speaking Georgian. This included communities that were less integrated with their adjacent traditional pipeline communities and therefore had no information on the overall success of the programme.

A specific methodology was developed to respond to this challenge. It required the careful involvement of a large number of people in each initiative. Villagers were called to CBO meetings to participate in making decisions on some technical solutions (such as what type of pipes to buy for extending a potable water network). Villagers were allowed to "audit" procurement documents after they expressed concerns about the choices of procurement options made by their CBOs.

These CBOs were understood to have delegation of authority from the communities to cooperate with the programme and handle the programme implementation. This encouraged the most active members of the community to step forward as the

support was going to the CBO directly, rather than through local government or any service provider company. The community was able to monitor and control rehabilitation project funds.

The types of outputs achieved by the programme across communities illustrates the robust nature of the assets created and the extent of buy-in from key community participants. Over the 15 years of CDI implementation, the programme has delivered 430 infrastructure projects, supported 614 small businesses and 638 farm demonstration plots. It made 54 grants to small collectively owned social enterprises, and 20 grants to groups of youth and elderly persons for cultural activities. In WREP, between 2015 and 2018, some 144 businesses were successfully supported.

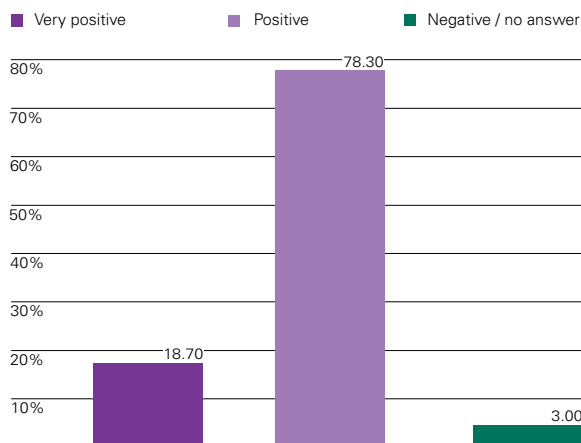
In addition to these tangible outcomes, the collaboration within communities and with other stakeholders has created strong networks of people with different backgrounds and resources which have been beneficial to the community as a whole.

Beneficiary surveys completed at the end of each programme phase have all expressed unqualified support and appreciation for BP's monetary investment, technical guidance and training in their micro-businesses.

A survey commissioned by one of the NGOs in its area of operation showed positive feedback from 97% of 592 respondents.



Beneficiaries' Attitude Towards BP



Strong management

Three management practices allowed the programme to achieve particular leverage: a focus on staff retention and skills, reporting focused on outputs and outcomes, and an Advisory Board involving international donor agencies.

Key Points



- The building up of morale and motivation for personnel deployed to the field was considered an important factor, both during the selection of the NGOs and within the NGOs.
- The effectiveness of the programme depends in great part on a detailed reporting system, allowing all the actors (communities to NGOs to BP) to identify and address problems in real time. Reporting is allocated considerable resource.
- The Advisory Board brought advantages: advice, communication, connections.

Having the right team

The programme began by ensuring implementation under the direction of experienced international NGOs – Care International in the Caucasus and Mercy Corps. This was followed by a process of ‘nationalization’ in which the role of national NGOs was gradually increased. In line with BP’s nationalization strategy, two Georgian NGOs – Regional Development Association (RDA) and Centre for Training and Consultancy (CTC) – were selected through a competitive process and matched with CARE International to build their independent project management capacity. This process has proved successful and is now complete. The local NGOs have increased their rural development management capacity to the point that they have become leading implementers of development projects in their regions of operation.



Co-operation with BP gave us good insight into corporate approaches we had not experienced before. It affected our sense of corporate responsibility, time management, planning and reporting and most importantly, improved our environmental and safety consciousness.

Gvantsa Meladze, representative of RDA, one of the CDI implementing partners.



Field teams initially selected by international NGOs were retained by the national NGOs in subsequent years to continue working with the communities. This allowed for the preservation of relationships created in the communities, as these are naturally very personal ones. In addition, the need not to hire and train new field teams saved time and resources for the national NGOs. The responsiveness of those in the field and the frequency of their interaction with community members helped to nurture the credibility of the programme.

The ability of external affairs personnel to leverage the programme for public affairs and branding proved valuable, as real-life information was prepared in a format and with an emphasis that made it easier to communicate effectively to a variety of external audiences, including within BP. The programme generated a steady flow of evidence-based stories from communities, used to inform BP staff and visitors about its achievements.



A tight and transparent reporting format



Strong field teams were not the only assets of the implementing partners. An effective programme monitoring and evaluation system was also important. Analysis of the system shows that it was based on a generally appropriate set of progress and outcome indicators and used adequate data collection methods.

The implementing NGOs are all performance managed by BP according to their inputs and outputs (for example the number of training sessions delivered). The methods used by the programme are better developed than those in other corporate investment programmes, and contain the following:

- Detailed personnel data (position, timing of work done).
- Detailed budget narrative.
- Reporting on any changes in planning and delivery, and a short narrative of the reasons for that.

NGOs provide a monthly monitoring and reporting matrix to BP, to regularly review the progress and performance of the project. Any issues arising are discussed with the NGO. BP has full rights of audit over the Project, including access to all relevant accounts and invoices.

A performance measurement chart, created monthly in Excel, describes programme achievements and helps to manage performance. The chart consists of two related sheets, the first of which is Gantt

chart that includes monthly updated statistical data on each project activity, and the second on budget execution. This complements monthly, quarterly, and annual reports.

Progress at the outcome and impact levels is captured in mid-term and final evaluations, including in-depth scrutiny of a large number of activities. It is supported through field visits by the BP Georgia CDI Adviser, and regular external evaluations.

The donor advisory board has been an innovative and valuable aspect of the programme in Georgia. The Board was made up of representatives from the main bilateral and multilateral aid organizations, who reviewed programme proposals, programme progress, and were presented with the results from the evaluations.

The advisory board provided coaching in the initial stages and gave the programme positive feedback. The Board stated that the corporate sponsorship of CDI enabled it to pioneer rural development in ways which are now being replicated on a larger scale by public development aid programmes.

The programme is managed by BP as part of other initiatives in the region (which includes Azerbaijan and Turkey). It has received global publicity. For example, at a recent economic forum in Davos, the BP Georgia programme was praised by Georgia's prime minister, and later by the group chief executive of BP, Bob Dudley.

Good brand positioning

The communications function of the project was fully compatible with the positioning of the BP brand and that of the partner NGOs:

Key Points



- The programme in Georgia shows that community investment is not a panacea for preventing opposition that may lead to construction work stoppages. Instead it creates additionality.
- However, it is part of a basket of instruments to improve community relations. The programme created an evidence base to transform the grievances of the community into a dialogue with trusted partners.

A nuanced association between BP and its partners' brands and the programme

The communications function had a strong role throughout the programme, which took account of the particular context of the communities. Key elements of communication included:

Improving the social license to operate:

The justification of the programme was to reduce social risk to the pipeline projects, and to enhance the credibility of BP and its co-venturers in the interactions with Georgian society.

Developing a clear communication strategy:

the programme strategy was based on principles of clarity, simplicity, consistency, transparency and feedback. These played an important role in building confidence throughout the community engagement.

Demonstrating corporate citizenship:

The programme follows BP policy to provide additional benefit to the local community above and beyond the mitigation of any negative project impacts, and the direct economic benefit of the pipelines.

Strengthening branding and corporate reputation:

The programme supported BP's and its co-venturers' external reputation, operating in a way that was consistent with their values.

The programme contributed business value to the project by increasing trust in communities. The implementation by NGO development professionals, supplementing the role of BP, has been vital to its successes.



Coalition building



Over its lifetime, the programme has directly contributed to a positive operating environment for BP. Instances occurred, particularly during the construction phase of the pipeline, where differences with the communities proved to be more negotiable than they would have been without the programme. This was because the NGOs were able to present themselves as 'honest brokers' on account of their role as implementing partners, acting as a form of communication buffer between the company and local communities.

Risks to the programme did exist early on as a result of the construction operations. Goodwill generated by community investment (both for surrounding communities and the staff) could be overwhelmed by unrealistically high expectations that communities would benefit in economic ways that could not be met by the scale of community investment.

BP established a separate route from the start for the management of complaints relating to infrastructure that were not relevant to the actual development of communities. A team of community liaison officers (CLOs) was tasked to handle public consultations and grievances. By operating distinctly from development NGOs, the CLOs kept their own work focused on issues stemming from the pipeline operations.

In the early stages, NGO mobilisers maintained a distance from BP, identifying themselves above all as development workers. This allowed the programme to achieve significant progress in spite of the adversarial climate. The result was a constructive relationship that made the NGO into a ready partner to the company to resolve community company conflict. NGO mobilisers were able to respond to blockages to help the company understand the grievances involved and to assist in efficient negotiations as a professional facilitator.

Over time, confidence building was augmented by the permanent presence of full-time staff in the field of operations. Community members could physically visit and communicate with staff face-to-face on any working day in the month. BP invested sufficient administrative resources to ensure the mobility of field staff, enabling frequent visits to communities for monitoring. Training of field staff also made sure that they were capable of providing advice of their own, further elevating levels of confidence in the programme.

Conclusion

At the time of writing, the programme has been running for 15 years. This longevity is unprecedented in development circles. It has allowed BP to engage deeply, and with progressively greater trust, with the communities. It has generated significant developmental changes within those communities.



This is mainly due to distinctive operating choices made by BP, starting from clear objectives of shared value, articulated around the will to create mutual benefit. The development programme has treated the communities as implementation partners from the outset and has been adjusted regularly to take full account of local realities.

This has been framed in a clear methodology of engagement, and within a publicly recognized sphere of influence. The logic of the engagement was clear and widely accepted. While the programme was constantly encouraged to spread its benefits beyond the pipeline communities or to increase levels of funding, its concentration on the approach and on the relationships created helped to guarantee its impact.

These achievements reflect positively on the long-standing commitment of BP to the communities. After years of effort, there has been a tangible shift in attitudes towards BP, and towards the possibility of positive sustainable change. While this has not reversed the uncertain trends of rural development, it has created a real model.

Evidence suggests that the approach has drawn the interest of government. In 2013, the programme's small business projects attracted the interest of the Economy Ministry, as they demonstrated how BP was creating income generation opportunities with less than \$1,500 investment per business. Government interest laid the ground for the development of a large scale assistance programme aimed at reducing rural-urban economic disparity. In 2015, the Government of Georgia launched a 20 million of GEL Micro and Small Entrepreneurship Support (MSES) programme in every region of the country.

Pipeline communities have secured over 30% of grants in the MSES programme despite representing less than 5% of the applicants. This illustrates the impressive competitiveness of entrepreneurs within these pipeline communities and suggests that the investment in them by the programme has brought positive results.

This example, and other achievements of this nature, could be adopted not just within industry social investment, but also among the wider development community. The approach illustrates mechanisms that could be readily transferred to other initiatives.



We know that the BTC and SCP pipelines have been constructed to world-class engineering standards, and that BP has worked hard to build relationships with local communities near the pipelines as well as the wider society in Georgia. Our expectation is that BP will apply any lessons it has learned from the past to the future projects it has planned, and to be clear about how the company can continue to contribute to Georgia's social and economic development.

R. Michael Cowgill, the President and co-founder of Georgian American University, the President of the American Chamber of Commerce, Georgia



This paper has identified the importance of pragmatic implementation of clear impact-level objectives and creating a centre of gravity which is close to the beneficiary communities' – even if these are located in fragile and remote conditions. The most important and difficult thing to achieve is the need to generate ownership and pride in the achievements of the programme. BP and its NGO partners have done this through rigorous management, the careful exercise of transparency and by focusing on material and long-lasting benefits. Having the right team, a robust reporting system, and sophisticated positioning of the corporate brand, also helped.

These qualities are not always flagged in development textbooks or in guidance on social investment. They do not need significant resources, but they do require significant determination to get it right.



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