

**United Nations Development Program
Country: Georgia**

Project Title: OECD/PDG Support to the Ministry of Finance of Georgia in Donor Coordination and in International Taxation-related Training and Knowledge-Sharing

UNDAF Outcome(s): (Outcome 1) Reduced Number of households living in poverty through the realization of economic potential and the provision of social welfare

Expected CP Outcome(s): 1.1 National capacities for adopting and implementing MDG-based poverty reduction plans and policies increased.

Expected CP Output(s): 1.1.2 Capacities of national and selected governments at the sub-national level enhanced in local MDG based development planning

Executing Entity: UNDP

Implementing Agency: UNDP

Brief Description

The Project aims are twofold: The first component aims at providing technical assistance to the Department of External Relations of the Ministry of Finance of Georgia in order to support its efforts in donor co-ordination and aid effectiveness in the country. This will contribute to meeting the goal, set out in the October 2008 Joint Needs Assessment (JNA) of making aid "predictable, harmonised, and aligned with national priorities and the use of the country's own institutions and systems." The second component will support the Ministry of Finance in Public Finance Management, notably in those aspects of resource mobilization which match the urgent need for knowledge transfer and expertise in the field of international taxation (OECD Model Convention, transfer pricing, harmful tax practices, etc.) with the cutting-edge OECD expertise coupled with OECD instruments and guidelines.

The first component of the project will be implemented by an international consultant placed within the Department of External Relations over a period of nine months. This Consultant, along with mid-level Georgian public servants designated by the Deputy Minister of Finance, will form an Aid Technical Co-ordination Task Force (Task Force). The Task Force will aim to build the Department's capacities by reinforcing and further improving its day-to-day work; supporting the international aid information and co-ordination work of the Department and launching initiatives contributing to the donor coordination in the country.


The second component will be implemented through short-term advisory services to the Finance Academy and the Financial Policy Department of the Ministry.

Program Period:	2006-2010
Key Result Area (Strategic Plan)	1.1 MDG country reporting & poverty monitoring
Atlas Award ID:	00059437
Atlas output ID:	00074314
Start date:	22 Jul 2010
End Date:	21 Apr 2011
LPAC Meeting Date:	
Management Arrangements:	NIM

Total budget	239,438.76USD
Total allocated resources:	
• Regular (UNDP)	_____
• Other:	
o OECD/PDG, Govts Poland, Turkey	239,438.76USD
Unfunded budget:	_____
In-kind Contributions	_____

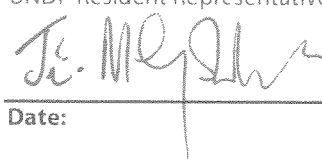
Agreed by the Ministry of Finance of Georgia:

Kakha Baindurashvili
Minister


Date: _____

Agreed by UNDP:

Jamie McGoldrick
UNDP Resident Representative

 22/7/2010
Date: _____

I/ Situation Analysis

1) Donor Coordination

Given the substantial amounts of financing pledged to Georgia during the Brussels Conference of October 2008, ensuring that benefits of foreign aid are maximised and its costs minimised is the key goal for both the Ministry of Finance and donors. The JNA¹ states that “the involvement of the international community in Georgia’s post-crisis recovery calls for effective co-ordination across all actors.”

A number of challenges to donor co-ordination have been identified in Georgia, which call for action. Firstly, there is a fragmented approach by some donors, especially smaller ones, who tend to pursue small bilateral projects that are so metimes uncoordinated with the work of other donors and that – in cases where there is no co-financing from the budget of Georgia – may escape from being recorded by the Ministry of Finance. Secondly, there is a knowledge gap among many donors, who are unaware of the work that others are carrying out in the same sector or how funds that they channel through other agencies and institutions are used and what results are achieved. This may lead to gaps and overlaps in the overall donor support delivered to a country. Thirdly, there is a lack of consistent alignment of donors’ work behind clear Government strategies for the sectors that are being supported.

The Ministry of Finance of Georgia recognizes that the Ministry’s capacities to record and coordinate donors’ activities, and to use the acquired information in order to better align national priorities and aid resources, would benefit from strengthening via external expert advice. It is in this context that the Ministry has requested the Partnership for Democratic Governance’s (PDG) support, with the objective of strengthening donor coordination and enhancing aid effectiveness in Georgia.

2) Support to the Ministry of Finance through advisory services and capacity building in the area of international taxation.

As part of the Public Finance Management, the Government of Georgia has undertaken in 2010 to push through further reforms of the Public Finance Management and published, in 2010, a Policy Vision Paper outlining the new PFM reform goals and components. While the new Tax Code, due to be passed by the Parliament before Q4 2010, addresses all the aspects of tax-based domestic resource mobilization, there is an urgent need to transfer knowledge and capacities in the field of international taxation, where international guidelines and legal instruments are developed in the OECD Committee on Fiscal Affairs and its subsidiary bodies, and where wealth of cutting-edge knowledge and expertise exists within the OECD Center for Tax Policy and Administration and its networks of experts. In order to make use of OECD instruments and best practice in this area, and at the same time build-up appropriate capacities in the Ministry in a sustainable way, the Ministry requested to benefit from OECD/PDG support to the Finance Academy of the Ministry of Finance, a newly created institution responsible for training of MoF employees (tax and customs officers, treasury, budgetary staff etc.). It is through the Finance Academy that cutting-edge OECD instruments, knowledge and best practices in the international taxation field will be transferred to benefit all the relevant MoF staff.

¹ <http://siteresources.worldbank.org/INTGEORGIA/Resources/301645-1224598099977/GEJNA2008.pdf>

As an initiative supported by the Partnership for Democratic Governance (PDG), housed at the OECD, the project meets the following core PDG criteria:

- To provide support for the delivery of essential government services and core government functions, giving a further boost to efficiency and to ability to deliver.
- To promote lessons learning and the identification and replication of good practice.
- To transfer knowledge and expertise to Government officials in a sustainable manner.
- To improve public institutional capacity through the provision of interim targeted expertise.
- To provide support that is directly owned by, and accountable to, the Government.
- To deliver a clear transfer strategy to ensure that the investments made over the course of the Project are secured for the future.

Other characteristics of PDG projects include:

- A flexible and incremental approach that gives priority to requests for assistance with easily transferable technical skills, where the results of such assistance can be achieved with a small number of international personnel.
- A demand-driven approach, responding to specific country requests and consistent with the OECD Development Assistance Committee's (DAC) good practice on aid effectiveness, governance, capacity development and state-building.
- An approach that increases beneficiaries' ownership in terms of setting priorities, terms of contracts, exit strategies and accountability mechanisms. At the same time, project funding and risks are shared among a range of partners..

In terms of the particular sector targeted by this initiative, the project aims to meet the following relevant PDG criteria:

- To contribute to Government's efforts aimed at increased coherence, co-ordination and Government ownership of foreign aid.
- To facilitate international good practice on donor co-ordination and aid management and effectiveness, informed by the Paris Declaration and the Accra Agenda for Action (see below).
- To ensure strong synergy between priorities of the Government and assistance modalities and development co-operation budgets employed by the donors.
- To improve the results measurement of aid initiatives.
- To foster knowledge and experience sharing in relation to international taxation instruments, guidelines and best practices
- To support Government's action aimed at accountability and transparency to citizens of government work.

II/ Strategy

1) Donor Coordination Component

This component of the project will contribute to meeting the goal, set out in the October 2008 Joint Needs Assessment (JNA) of making aid "predictable, harmonised, and aligned with national priorities and the use of the country's own institutions and systems."

An International Consultant will be placed within the Department of External Relations of the Ministry of Finance of Georgia. The Consultant, along with mid-level Georgian public servants designated by the

Deputy Minister of Finance², will form an "Aid Technical Co-ordination Task Force" (Task Force), which will cooperate closely with other staff in the Department. The Task Force will contribute to the Department's capacities by further reinforcing its day-to-day work; support the international aid information and co-ordination work of the Department and launch, as appropriate, new initiatives as detailed below.

The Consultant will base their work on the specific needs of the Ministry of Finance of Georgia and of the donor community as well as drawing on international aid effectiveness best practices as set out in the Paris Commitments³, Accra Agenda for Action⁴ and online resources such as:

- <http://www.aideffectiveness.org>
- <http://www.aidharmonisation.org>
- <http://www.aidinfo.org/>
- http://www.cgdev.org/section/topics/aid_effectiveness
- <http://www.mfdr.org/>
- http://www.oecd.org/departement/0,2688,en_2649_3236398_1_1_1_1_1,00.html
- Harmonising Donor Practices for Effective Aid Delivery - Three Volumes:
http://www.oecd.org/document/22/0,2340,en_2649_3236398_34600534_1_1_1_1,00.html

In implementing the tasks outlined below in order to address the challenges that have been identified, a set of key principles will be followed by the consultant:

- Relations with donors will remain the preserve of Georgian Ministry of Finance officials. The Consultant will not represent the Ministry of Finance of Georgia to donors and will make their role as external Consultant clear in all of their contacts with other stakeholders.
- The work undertaken will seek to build on pre-existing structures, systems, and agreements in order to take advantage of their momentum and legitimacy and to avoid a fragmentation of co-ordination work.
- The Consultant will ensure that, on completion of the assignment, the Georgian staff of the Department of External Relations is able to sustain the initiatives, ways of working and knowledge that has been developed and transferred during the course of the Project.

The Consultant will be employed by the implementing agency (UNDP), according to the UNDP recruitment procedures, rules and regulations, and will report to the Ministry of Finance, the UNDP Office in Tbilisi and the PDG Advisory Unit.

2) Public Finance Management– International taxation

This component, which implies transfer of knowledge and experience in the field of international taxation, will consist of a number of short-term advisory services in the field of international taxation;

Provided on a demand-driven basis, the support can take the form of training, elaboration of training modules to ensure sustainability, commenting on drafts, direct consultation and advisory services as needed and as issues arise.

III. OUTPUTS AND ACTIVITIES

Objective: The main objective of the project is to contribute to the institutional capacity and performance of the Ministry of Finance of Georgia in order to support: 1) donor co-ordination and aid effectiveness, and 2) knowledge and experience sharing, , notably in the field of international taxation.

² The designated officials are: Ms. Eva Bochorishvili, Head of Section; Ms. Salome Chakvetadze, Senior Specialist; Mr. David Shoshitashvili, Senior Specialist; Mr. Nodar Kobaidze, Specialist, External Relations Department, Ministry of Finance of Georgia.
³ <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

⁴ <http://www.oecd.org/dataoecd/58/16/41202012.pdf>

Output: Enhanced capacity of the Ministry of Finance (1) in donor coordination through enhancement of a functioning online database on donor activities present in the country, development of web pages with updated details of donors' strategies, contribution to Joint Task Force on Aid Coordination and to Sectoral Working Groups and (2) in various areas of international taxation(e.g. transfer pricing; model OECD convention/DTA; harmful tax practices, thin capitalization etc.) notably where the OECD instruments, guidelines and cutting-edge knowledge exist though training and/or module development, targeted demand-driven advisory services.

Activities: Component I – Donor Coordination:

This component of the project will be implemented in three broad directions (1) transparency, (2) co-ordination and (3) capacity building. However, while some aspects of capacity building will form a separate activity in their own right, others will be delivered as an integral part of the Consultant's work on transparency and co-ordination, as detailed below.

For each of the tasks below, the Consultant will not work alone but rather act as part of the Aid Technical Co-ordination Task Force which will support and facilitate Georgian officials in the conception, delivery and follow-up of the initiatives, ensuring that local implementation capacity is built and that the new activities, systems and structures that are established are fully sustainable after the Project's completion.

As a natural side-effect of the Consultant's day-to-day work, Georgian staff will improve their English language skills, notably in the field of – but not limited to - aid effectiveness and co-ordination.

1/ Transparency

This work will seek to facilitate the exchange and analysis of comprehensive, accurate, targeted and timely information within individual donor systems, among donor agencies, and between donors and Ministry of Finance about the activities, plans and achievements of each side, as well as to sustain the transparency of Government's provision of relevant information to civil society, including NGOs. Three main tasks are envisaged:

1.a/ Improvement of online database on donor activities

Currently, there is no single source for information on donor commitments, activities, results and plans for Georgia. Rather, such information is spread over a number of different online sources and formats, inhibiting transparency. This impairs informed decision-making and risks gaps and overlaps forming in donors' work as they may not be fully aware of each other's activities, while imposing transaction costs on Georgian authorities, who have to spend time and effort in discovering what donors are doing, what they have done, and what they are planning to do. The need for action is recognized in the JNA which recognizes that "aid tracking is critical to ensure that donor funds...are spent on the agreed activities in order to achieve the agreed objectives....It also facilitates funding allocation and identifies financing gaps."

The Consultant will work with the Ministry of Finance to enhance and upgrade existing systems to ensure a simple, effective online database of information on donors' ongoing and planned initiatives (including technical assistance). This will be based on the enhancement of the existing database http://www.mof.ge/en/external_relations. During the Project term, the Aid Technical Co-ordination Task Force will manage the system and monitor updates. Post-Project, it is recommended that monthly updating of the system by donors be set as a mandatory reporting requirement by the Ministry of Finance and it is suggested that donor country representatives be asked to commit to this in a meeting of the Government-Donor Joint Task Force on Aid Co-ordination (see below). The structure and functionalities of the system can be designed, as appropriate, by the Consultant with IT expert(s) contracted by the UNDP, in coordination with Georgian Ministry of Finance officials (as key counterparts on the Georgian side) and donors to ensure that they meet the requirements. The budget of the Project includes a provision for the contracting of local IT support to cover the technical side of enhancing and upgrading the existing database. The core information reported on by the system may include, as appropriate, for each donor initiative:

- Title
- Donor(s)
- Type of assistance

- Status
- Goal
- Description
- Location(s) targeted
- Sector(s) targeted
- Beneficiaries targeted
- Implementing agency
- Start and end dates
- Progress to date
- Results
- Fit with the Paris Commitments on Aid Effectiveness which can be measured at the individual project level (e.g. whether Government systems are used to channel funds, whether a Parallel Project Implementation Unit is used for management)
- Contact details (including those of relevant Government counterparts)

At the same time, it should be ensured that the public information recorded by the system is restricted to that which is strictly necessary and useful, in order to keep the updating process manageable. The system should be fully searchable, for example a user should be able to see all of the work on a particular sector or what a specific donor is doing in a certain sector. It is suggested that the system cover all donors operating in the country and that it be used as the official donor-Government reporting tool. In supporting the Ministry of Finance in the design of the system, the Consultant should take account of examples of such systems that are already operating successfully in other countries. Most importantly, the system should be designed with the user in mind – both entering data and retrieving data – in terms of ease-of-use, simplicity and intuitiveness.

Once the system is enhanced and the data has been procured by donors, the Consultant will assist Georgian officials to data-mine the information in order to provide concise reports on donors' sectoral involvement, gaps and overlaps, the percentage of donors' funding that is channeled through Government systems, progress in committing pledged funds and other relevant information that can be used to track the evolution of donor co-ordination and to suggest where future efforts should be concentrated. These reports are intended to improve information exchange between the donor community and the Government.

The data gathered by the system could also be used for disaggregating and analyzing a variety of other information, not only relating to large inflows of budget support, investment, but also regarding smaller bilateral aid, including grants and technical assistance.

Measurable output: enhanced, functioning online database, production of reports based on data-mining of the system, statistical analysis and projections, if the latter proves feasible.

1b/ Enhancement of an online knowledgebase

A substantial amount of information regarding donors' work in Georgia is already available online, for example:

- ADB initiatives in Georgia: <http://www.adb.org/Georgia/default.asp>
- EBRD initiatives in Georgia: <http://www.ebrd.com/country/country/georgia/index.htm>
- EC initiatives in Georgia: http://ec.europa.eu/europeaid/where/neighbourhood/country-co-operation/georgia/georgia_en.htm
- UN initiatives in Georgia: <http://www.ungeorgia.ge/eng/>
- World Bank initiatives in Georgia: <http://www.worldbank.org/ge>

However, there is a need to consolidate this in one place. The Consultant will therefore work as part of the Aid Technical Co-ordination Task Force to create a section on the Ministry's webpage that provides summaries and downloads of donors' strategies and plans for their work in Georgia. A standard summary

format can be designed which gives, for example, details of donors' focal sectors, funding and timelines. An example can be found here:

http://www.deleth.ec.europa.eu/en/aid_effectiveness_knowledgebase_strategy.html

This should be complemented by a knowledgebase providing summaries and downloads of the various studies and reports completed by Government and donors, organized by sector / theme and fully searchable. This can be informed by international best practice such as:

<http://Inweb90.worldbank.org/Caw/CawCover.nsf/homepage?openform>

http://www.deleth.ec.europa.eu/en/aid_effectiveness_knowledgebase.html

Measurable outputs: establishment of web pages with current details of donors' strategies and an organized, searchable compilation of relevant studies and analysis.

1c/ Establishment of a Donor Information Service

The Consultant will work as part of the Aid Technical Co-ordination Task Force to create a Donor Information Service, providing regular e-mail briefings to donors about progress in implementing programmes and meeting objectives and on where additional donor support is needed. This follows the JNA recommendation that Government keep donors regularly informed on progress under the post-crisis programme.

The Donor Information Service will also be responsible for providing information for the donor community and Government. Ad-hoc brochures can also be produced, as appropriate, on specific topics of interest – e.g. IDP housing, road construction, energy. These should set out Government policy and activities, how donors are supporting these, the results achieved and the work remaining to be done.

Measurable outputs: e-mail briefings from the Ministry of Finance to donors, at least three brochures on specific topics of interest.

2/ Co-ordination

The aim of the co-ordination activities is to contribute to the donor-Government-civil society relations. This helps to (i) decrease the gaps and overlaps in aid delivery (ii) provide a single platform for dialogue and discussion on policy, progress, etc. (iii) enable the Government to rally donors and civil society behind effective instruments such as budget support and multi-donor programmes and, as appropriate, move them away from the small, fragmented bilateral projects approach. Three main tasks are envisaged:

2a/ Reinforcement and expansion of the Government-Donor Joint Task Force on Aid Co-ordination

The JNA recognizes that "if there is a lack of a holistic approach to addressing sector priorities, then critical gaps may be left unattended. . . The presence of these risks underlines the importance of an effective overall co-ordination mechanism." The Government-Donor Joint Task Force on Aid Co-ordination, proposed in late 2008, offers significant potential for being just such an effective overall co-ordination mechanism. The Consultant will work as part of the Aid Technical Co-ordination Task Force to set a clear mandate, objectives and Action Plan for this body. The Consultant will help to facilitate regular meetings. Suggested components of core business for the Joint Task Force include: review of Government's and donors' progress against plans in terms of commitments, disbursements and implementation; identification of funding gaps; flagging of bottlenecks and discussion of potential solutions; recognition and replication of examples of good practice. The Georgian authorities should also set out clear budget plans and Medium Term Expenditure Framework in this forum to support the objective of securing more aid from donors in the form of budget support, as necessary. This is in line with the JNA proposals that Government regularly "present progress made against programme objectives, report on the programme's overall impact on the target population, pinpoint implementation and capacity constraints, identify financing gaps per sector, and mobilize additional resources." The Consultant will provide support as required by the Georgian Ministry of Finance in order to facilitate these actions and to support Georgian officials in providing a secretariat to the Joint Task Force.

If requested by the Ministry of Finance, the Consultant will also facilitate, wherever necessary, sectoral donor coordination efforts deployed by line ministries. This can include:

- Identification of overlaps and gaps in work undertaken by Government and donors in the sector.

- Foster establishment of a pool fund / programme based approach in order to harmonise and streamline donor funding for the sector (as for example currently takes place in municipal and environmental infrastructure through the Municipal Development Fund), or, where such a pooled arrangement already exists, work to increase contributions to it in order to improve coordination and delivery of results. A system could be considered where donors contributing below a certain amount of funding are asked to channel this through the official programme / pool fund / budget support for the sector, as opposed to establishing a stand-alone project. This would serve to increase efficiency and effectiveness and decrease transaction costs for Government. This is also in line with the recommendation of the JNA that donors “employ existing and already planned mechanisms for the provision of financing to the greatest degree, thereby strengthening the linkages to the national budget process.”
- Exchange of information on lessons learned and best practice.

This can allow the creation of a degree of peer pressure on all parties, encouraging them to deliver on the commitments they have made and to work in a co-ordinated manner. They can help mitigate the risks identified in the JNA of “the availability of insufficient financial resources at the time they are needed...and a focus on some sectors to the detriment of others.”

If requested by the Ministry of Finance, the Consultant will work as part of the Aid Technical Co-ordination Task Force to support sector working groups on aid coordination, define their terms of reference, membership, action plans, and ways of working and subsequently to facilitate their meetings, and publicize their work, and provide other general support to enable their smooth roll-out.

Measurable outputs: functionality and sustainability of Joint Task Force, including as appropriate, assistance in establishment of its Sector Working Groups including terms of reference and action plans.

2b. Support to the Ministry of Finance in the context of sound coordination and monitoring of PFM reforms

Through regular interaction with units of the Ministry of Finance and, as appropriate, with other PFM-related institutions,, the Consultant will provide support in the context of reporting on progress in the implementation of actions according to PFM strategic documents. This includes, upon request, support in preparation and annual revision of PFM reform action plans with time frame and progress milestones and support in preparation of quarterly reports on PFM reform progress based on annual PFM action plans.

Measurable output: quality reporting on PFM reforms.

3/ Capacity Building – Transfer Strategy

Capacity building support will be a cross-cutting theme in the work of the Consultant. This will consist of providing assistance to, and advice on, the day-to-day tasks of Georgian officials in the External Relations Department. The Consultant will be an integral part of the Aid Technical Co-ordination Task Force and will also work with the Department’s Division Heads to support them in their everyday work, while at the same time providing advice on how to improve the efficiency and effectiveness of the tasks undertaken. This will include advice on how to further improve structures, systems, procedures and ways of working.

Exit Strategy and Timing: The Consultant should ensure that all aspects of the work involve knowledge transfer and the construction of capacity so that, at the conclusion of the contract, the Department can continue to take forward the new initiatives established and use the skills and knowledge gained in their future work.

An explicit exit strategy will be set out by the Consultant in consultation with the Ministry of Finance, proposing the hiring of new staff and their roles in the Department where this is deemed necessary by the Ministry of Finance. The strategy will also include recommendations for next steps to be taken in order to further contribute to donor co-ordination and aid effectiveness in the form of a timed action plan.

Measurable outputs: clear exit strategy established and agreed with the Ministry of Finance.

Activities: Component II –International taxation:

Considering the fact that the Finance Academy of the Ministry of Finance is a newly created institution responsible for training of MoF employees, it is through the Finance Academy that cutting-edge OECD instruments, knowledge and best practices in the international taxation field can be transferred to benefit all the relevant MoF staff. Upon request, support and advice can also be provided to the Financial Policy Department of the Ministry.

This component of the project will consist of a number of short-term advisory services in the field of international taxation; details, timing and sequencing of which will be elaborated separately by the PDG Advisory Unit and the Ministry of Finance.

The areas of expertise, where OECD instruments, guidelines and knowledge exist, that can be covered by PDG support, may include *inter alia*:

- Transfer pricing
- Harmful tax practices
- Thin capitalization
- DTA OECD model (Convention, guidelines, etc.)
- Treaties on exchange of information and administrative assistance on tax and customs matters

Upon request, the support can take the form of training, elaboration of training modules to ensure sustainability, commenting on drafts, direct consultation and advisory services as needed and as issues arise. Detailed steps and activities will be elaborated by the MoF and PDG Advisory Unit.

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:

1.1 National capacities for adopting and implementing MDG-based poverty reduction plans and policies increased.

Applicable Key Result Area (from 2008-11 Strategic Plan): 1.1 MDG country reporting and poverty monitoring

Partnership Strategy The project will be implemented in close cooperation with the Ministry of Finance and OECD/PDG group

Project title and ID (ATLAS Award ID): Support to MoF in Donor Coordination and in international taxation-related training and knowledge sharing , Award: 00059437; output: 00074314

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESP. PARTIES	INPUTS
<p>Output 1 Enhanced capacity of the Ministry of Finance (1) in donor coordination through enhancement of a functioning online database on donor activities present in the country, development of web pages with updated details of donors' strategies, contribution to Joint Task Force on Aid Coordination and (2) in various areas of international taxation (e.g. transfer pricing; model OECD convention/DTA; harmful tax practices, thin capitalization etc.), notably where the OECD instruments, guidelines and cutting-edge knowledge exist, though on-demand training and, targeted advisory services</p> <p>Baseline: 1.1/ Currently there is no single source for information on all donor commitments, activities, results and plans for Georgia. 1.2/ Though substantial amount of information regarding donors' work in Georgia is available online, it is not consolidated in one place. 1.4/ Ongoing efforts needed to further consolidate platform on donor-government interaction</p> <p>Indicators: 1/ Availability of database on donor ongoing/planned activities (Yes/No) 2/ MoF webpage section with the details of donors' strategies (Yes/No) 3/ Email briefings from MoF to donors, at least 3 brochures on</p>	<p>Targets: 1/ Online database on donor ongoing/planned initiatives enhanced 2/ MoF webpage section with the details of donors' strategies created 3/ Establishing of Donor Assistance Information System 4/ Aid Technical Coordination Task Force in the MOF reinforced 5/ Reporting on PFM-related reform action plans of MOF enhanced 6/ Exit strategy developed outlining recommendations for donor coordination 2.1/ Trainings/workshops delivered via Finance Academy of MoF 2.3/ Tailored advice in international taxation delivered to MoF upon request</p>	<p>ACTIVITY 1: MoF Donor coordination</p> <ul style="list-style-type: none"> ▪ Enhancing and movement toward a functioning online database on donor initiatives ▪ Creating section of MoF webpage with the details of donors' strategies and, as appropriate, an organised compilation of relevant studies and analysis. ▪ Enhancing donor information system, which will entail provision of updates from the Ministry of Finance to donors; at least three brochures on specific topics of interest. ▪ Reinforcement of the MoF Aid Technical Coordination Task Force (Task Force) including development of agreed Action Plan and regular meetings, ▪ Upon request from MOF, contributing to work of Sector Working Groups ▪ Support in reporting on PFM-related reform action plan of MOF ▪ Develop exit strategy outlining roles of the staff of the MoF, recommendations for further improvement of donor coordination. <p>ACTIVITY 2: training and knowledge sharing in international taxation</p> <ul style="list-style-type: none"> • Developing Detailed Action Plan jointly by OECD/PDG and MoF, listing activities, timing and sequencing. • Providing number of on-demand short-term advisory services in the field of international taxation; Conducting training, elaborating training modules to ensure 	<p>MoF, UNDP</p>	<p>Int. const Supplies</p>

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework:</p> <p>1.1 National capacities for adopting and implementing MDG-based poverty reduction plans and policies increased.</p>		
<p>Applicable Key Result Area (from 2008-11 Strategic Plan): 1.1 MDG country reporting and poverty monitoring</p>		
<p>Partnership Strategy The project will be implemented in close cooperation with the Ministry of Finance and OECD/PDG group</p>		
<p>Project title and ID (ATLAS Award ID): Support to MoF in Donor Coordination and in international taxation-related training and knowledge sharing , Award: 00059437; output: 00074314</p>		
<p>specific topic of interest</p> <p>4/ Donor-government interaction consolidated further through Task Force/Sector Working Groups (Yes/No)</p> <p>5/ Exit strategy developed (Yes/No)</p>		<p>sustainability, if requested providing comments on drafts, direct consultation and advisory services</p>
<p>Baseline:</p> <p>Knowledge and institutional capacity within the MoF staff in the field of international taxation needs to be further developed.</p> <p>Indicators:</p> <p>2.1 MoF staff trained (Yes/No)</p> <p>2.3 On-demand advice in international taxation provided (Yes/No)</p>		

IV. ANNUAL WORK PLAN

Year 2010

EXPECTED OUTPUTS And baseline, associated indicators and annual targets Output, Baseline, Indicators, Targets (See above)	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESP. PARTY	Funding Source	PROVISIONAL BUDGET/USD	
		Q 1	Q 2	Q 3	Q 4			Budget Description	Amount
	Activity 1: MoF donor coordination			X	X	UNDP	OECD	71200 -Intl const	57,000.00
						UNDP	OECD	72100-Donor database, workshops, etc	13,640.00
						UNDP	OECD	72425 Communication /transportation	790.00
						UNDP	OECD	72500-Supplies	2,640.00
						UNDP	OECD	75100 (7% GMS)	16,761.00
	Activity 2: training and knowledge-sharing in international taxation				X	UNDP	OECD	71200 Short-term consultancies and training	60,000.00
TOTAL									150,831.00

Year: 2011

EXPECTED OUTPUTS And baseline, associated indicators and annual targets Output, Baseline, Indicators, Targets (See above)	PLANNED ACTIVITIES <i>List activity results and associated actions</i>		TIMEFRAME				RESP. PARTY	PLANNED BUDGET/USD	
			Q 1	Q 2	Q 3	Q 4		Funding Source	Amount
			Activity 1: MoF donor coordination					Activity 2: training and knowledge-sharing in international taxation	
	X	X				UNDP UNDP UNDP UNDP	OECD OECD OECD OECD	71200 -Int const 72100-Donor database, workshops, etc 72425 Communication /transportation 72500-Supplies	38,000.00 8,701.85 508.78 1,397.12
	X	X				UNDP	OECD	71200 Short-term consultancies and training	40,000.00
TOTAL									88,607.75

*The proposed budget is equivalent of 177,903Euro, calculated according to the official UN ex. rate for Apr-10 amounting to 0.743

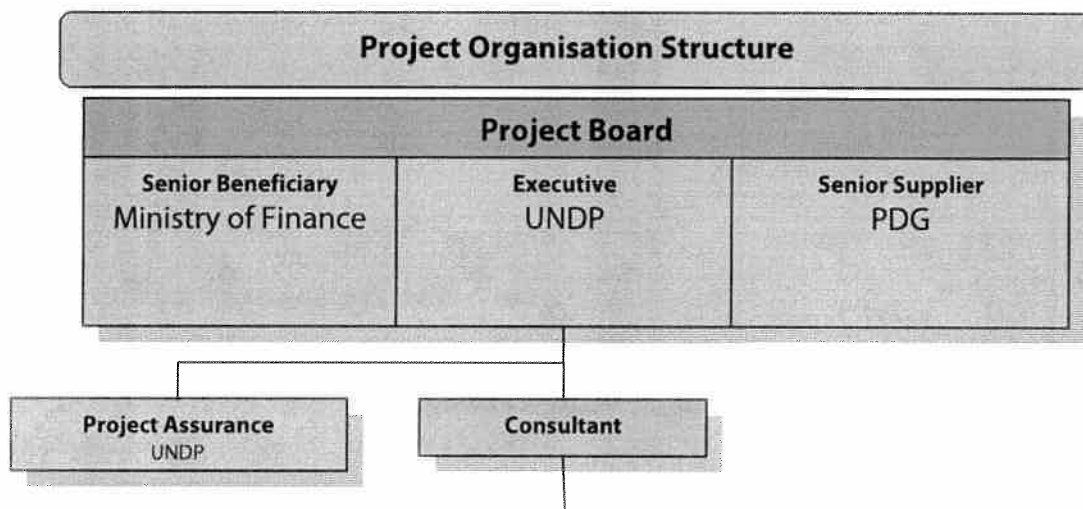
The project will be financed from resources made available by the PDG Advisory Unit.

In-kind contribution from the MoF includes: Salaries of Georgian staff involved in the project, office space, office equipment, secretarial support, and reasonable communication costs within Georgia (office telephone, fax, internet). MOF does not make any cash or tax contribution or financing towards the project in any form whatsoever, nor does it deal with tax-related or any other fiduciary/financial accounting matters in relation to the project.

Additional contribution by the PDG Advisory Unit, and in-kind contribution of Turkey, based on actual costs, will consist of

- Workshop on aid effectiveness, evaluation and aid impact assessment (measuring results), organized via Turkish in-kind contribution, with participation of the Task Force and a selected number of their counterparts from relevant line ministries' External Relations Departments

V. MANAGEMENT ARRANGEMENTS



The project will be directly implemented by UNDP in accordance with UNDP rules and regulations as contained in the UNDP Results Management User Guide. The Ministry of Finance will be a principal partner for the project .

The project will engage an international consultant recruited according to UNDP rules and regulations who will be placed within the Department of External Relations over the entire project duration (nine months). The Consultant will report directly to the Deputy Minister of Finance, possibly via another senior staff member nominated by the Deputy Minister.

In case of sub-standard performance by the Consultant during the course of the assignment, or any dispute between the Consultant and the Ministry of Finance of Georgia, a dispute resolution procedure will be initiated, with the PDG Advisory Unit acting as mediator. Where a breach of contract is established to have taken place, UNDP upon advice of the Ministry of Finance Georgia will have the right to terminate the employment of the Consultant with a one-month notice period. In such a case, a roster of candidates created during the initial selection will be consulted for replacement, and appropriate candidate selected

in consultation with the Ministry of Finance. Either party may also terminate the contract at any time, providing a one-month notice period is given.

Project Board: As per UNDP internal procedures and requirements, the project will introduce a Project Board with the three relevant roles of executive, senior supplier and senior user. While the executive will ensure the funds are managed properly and in a cost-efficient manner, the user will actually use its benefits and the supplier will provide resources and skills to produce the output. Therefore, the project executive role will rest with the UNDP. The PDG will assume the role of senior supplier to the project, while the Ministry of Finance will be senior beneficiary of the project (See organigram above). Therefore, the Project Board will be formal means of cooperation among above-mentioned parties and the members of the Board will include the Deputy Minister of Finance, the UNDP Resident Representative and a PDG/AU representative..

The detailed description of the Board members' roles and responsibilities will be approved during the first Board meeting to be conducted at the inception of the project.

Project Board will meet on a quarterly basis. Given the 9 months duration of the project this will imply: one meeting at the start of the project, one - in the mid-term and one at the end.

UNDP will assume overall responsibility for the management and implementation of the programme. UNDP will provide operational support to the project in the following areas: human resources financial services, procurement and contracting services.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Work plan: A concise work plan for the project duration will be prepared within two weeks of the inception of the assignment and submitted to the Deputy Minister of Finance, the PDG Advisory Unit, and to the UNDP Georgia.

Monthly reports will be produced by the Consultant and submitted to the Deputy Minister of Finance, the PDG Advisory Unit, and UNDP Tbilisi.

Mid-term report will be produced after five months, detailing the activities carried out, plans for the remaining four months, challenges faced and recommendations for improvements.

Final report will be produced at the end of the project detailing all of the activities carried out and providing recommendations for next actions. All reports will be sent to the Deputy Minister of Finance, the PDG Advisory Unit, and to the UNDP Georgia.

VIII. LEGAL CONTEXT

The responsibility for the safety and security of the consultant and of his/her property, rests with the UNDP .

The UNDP shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the consultants security, and to the full implementation of the security plan.

The UNDP shall undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

ANNEXES:

ANNEX 1: RISK ANALYSIS

Project Title: MoF Donor Coordination Assistance / International Taxation -related Training and Knowledge-Sharing	Award ID: 00059437	Date: 25-Feb-2010
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#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
1	Reluctance of donors to cooperate and provide information for the database	Political	P = 3	Active advocacy work of the Ministry and consultants	Programme analyst	George Nanobashvili	25-Feb-2009		
2									

Terms of Reference

International Consultant

Position:	International Consultant in aid coordination and aid effectiveness
Type of appointment:	Special Service Agreement (SSA)
Contract Duration:	9 months
Duty station:	Tbilisi, Georgia
Start date:	ASAP
Application Deadline:	XX 2010

Background information:

The OSCE/PDG in cooperation with UNDP and the Ministry of Finance of Georgia is launching a new initiative for enhancing donor coordination and aid effectiveness in Georgia.

In the framework of this initiative technical assistance will be provided to the Department of External Relations of the Georgian Ministry of Finance in order to support it in further improving donor co-ordination and aid effectiveness in the country. This will contribute to meeting the goal, set out in the October 2008 Joint Needs Assessment (JNA)⁵, of making aid “predictable, harmonised, and aligned with national priorities and the use of the country’s own institutions and systems.”

The international consultant will be placed within the Department of External Relations over a period of nine months. The Consultant, along with the group of mid-level Georgian public servants designated by the Deputy Minister of Finance, will form an “Aid Technical Co-ordination Task Force” which will cooperate closely with other staff in the Department and will:

- support the international aid information and co-ordination work of the Department;
- aim to contribute to the Department’s capacities by reinforcing and further improving its day-to-day work and,
- launch a series of new initiatives as detailed below.

Organizational Context:

The consultant will work with the Deputy Minister of Finance and will report, as appropriate, to the Deputy Minister of Finance, UNDP Country Office in Tbilisi, and the PDG Advisory Unit. Logistical and organizational support will be provided by the Ministry of Finance.

Duties and Responsibilities:

In consultation with the Georgian Ministry of Finance, specific tasks and responsibilities of the proposed assignment may include, but are not limited to the following:

- Provision of advisory services to the Ministry of Finance of Georgia on donor co-ordination.
- Under the supervision of the Deputy Minister of Finance, support to the enhancement of existing online donor assistance database. IT support will be provided within the framework of the project
- Design of the standard donor activities framework.
- Contribution to development of reports on donors’ sectoral involvement, gaps and overlaps, commitments of pledged funds, and other relevant information.

⁵ <http://siteresources.worldbank.org/INTGEORGIA/Resources/301645-1224598099977/GEJNA2008.pdf>

- Reinforcement and expansion of Government-Donor aid co-ordination mechanisms, including facilitation of meetings; providing the Ministry with best practices in donor co-ordination in other countries; if requested by the Ministry of Finance, support to sectoral working groups and to defining their ToRs, membership, action plans, also supporting facilitation of working groups meetings.
- Under the supervision of and if requested by the Deputy Minister of Finance, support to the clarification / publicising of Government sectoral / thematic strategies.
- Under the supervision of the Deputy Minister of Finance, support to capacity building, training and knowledge transfer strategy.
- Provision of support to the Ministry of Finance of Georgia in preparation of and reporting on PFM reform action plans, including timeframes and other details as agreed with the Ministry
- Assistance to the day-to-day tasks of Georgian officials in the Department.

Required Qualifications and Competencies:

Education: Advanced University degree in economics, public administration, development studies, business administration or political science, or other relevant field, with a documented knowledge of statistics and computer skills.

Experience:

At least 5 years of experience in development with an emphasis on donor co-ordination / aid effectiveness issues.

Thorough knowledge of aid co-ordination and effectiveness issues and the relevant international agendas, and experience of working in countries dealing with large donor inflows.

Experience of working with a variety of different stakeholders, including the public sector, donor community and the not-for-profit sector, and experience of working in a multi-cultural context.

Experience of working in knowledge management in general and in the generation and interpretation of development statistics in particular.

Experience in the design and development of online aid management information systems; experience of communications, public relations, and visibility raising, particularly in regard to Government-donor relations.

Knowledge and experience of division of labour principles and their practical application.

Experience in developing professional communications products such as newsletters and brochures.

Excellent written and oral communication, organisational and analytical skills.

Advanced computer skills in common office programs (Word, Excel, Power-Point, etc).

Practical experience in implementing transition structural reforms and improving service delivery and core government functions would be considered an advantage.

Practical experience in implementing transition structural reforms and improving service delivery and core government functions would be considered an advantage.

Experience of working for a national administration in the management of aid flows / donor co-ordination would be considered an advantage.

Previous experience of working in the region would be considered an advantage.

Good knowledge of the political, economic and social context of Georgia would be considered an advantage.

Language Requirements: Absolute fluency in English.