**Project Title**: Supporting Public Administration Reform in Georgia through the Governance Reform Fund

**Project/Output Number:** 00089758**/**00095872

**Implementing Partner:** Administration of Government of Georgia (AoG)

**Start Date:** 26-Jul-2016 **End Date:** 31-Dec-2020 **PAC Meeting date:** 22-Sept-2016

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| **Brief Description** |
| The goal of this project is to enhance the capability of the Government of Georgia to implement its national development agenda through a more effective, professionally trained, unified and independent public administration that delivers public services with greater accountability and responsiveness to citizens’ needs.The proposed project builds on successes of past and ongoing GRF initiatives by significantly expanding the scope of support to the national Public Administration Reform Strategy through a set of targeted interventions. The complementarity and coherence of activities and approaches within this project and other ongoing GRF initiatives will be maximized at both the strategic and implementation levels through a joint GRF Project Board and Project Coordination Unit.The goal of the project will be achieved through the following outputs: ***Output 1 Policy development and cooperation:*** *AoG senior staff ready to effectively manage (plan and implement) Public Administration Reform as a holistic change management process****Output 2 Civil service and Human Resource Management:*** *Professional civil service trained, and can protect itself against malpractice and arbitrary decisions****Output 3 Service delivery:*** *Quality services delivered, based on innovative, consistent and replicable methodology, as well as analysis of usage data patterns and consumer feedback* |

**Contributing Outcome:**

**UNPSD Outcome** 1: By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels.

**CPD Outcome** 2: Citizens’ expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance.

Indicative Output(s):

**CPD Output 1.1.** By 2020, Government has stronger capacities to formulate, implement and monitor policies in a participatory, citizen-centred and evidence-based manner for improved service delivery, with equal access for all

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| **Total resources required:** | **5,921,052.63 USD** |
| **Total resources allocated:** |  |
| **DFID** | **5,921,052.63 USD**Equiv. GBP 4,500,000 per UN XRATE for Aug-2016=0.76 GBP |
| **In-Kind:** | - |
| **Unfunded:** | 0 USD |

Agreed by:

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| Government | UNDP |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Maya TskitishviliHead of the Administration of Government of Georgia  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Niels ScottResident Representative |
| Date:  | Date:  |

# Development Challenge

Georgia has never had a modern, unified, independent and career-based civil service. Yet, the development of a professional and modern civil service and public administration system are necessary for ensuring the resilience of Georgia to internal and external shocks and the ability of the Georgian governments to ensure growth and deliver vital services to its citizens.

The process of Georgia’s approximation with the European Union is central to country’s policy. An Association Agreement (AA), which includes the agreement on the establishment of a Deep and Comprehensive Free Trade Area (DCFTA) with the European Union (EU), was signed in June 2014 and was ratified by all EU members by February 2016. The Government has drawn up Action Plans to facilitate the adoption of hundreds of EU directives to further align itself with the EU’s *acquis communautaire* and integrate into the EU internal market. Many of these directives concern the free trade area, but their implementation will entail a comprehensive reform program affecting various governance areas covering economic policy making, rule of law, democratization and respect of human rights. Georgia has also implemented the Visa Liberalization Action Plan (VLAP) with the EU which is expected to lead to the lifting of visa requirements for Georgian citizens who wish to travel to the Schengen group of countries in 2016.

Approximation with the EU requires that every administrative domain and industrial sector of a state respects the *acquis*. Implementation of the *acquis* in an administrative domain depends on the availability of capacity and resources, but more importantly all the components of the administration must meet the standards and requirements of the EU. Most European countries have developed broadly compatible systems of public administration which helps to ensure that the performance of civil servants is in line with general standards. These key principles are widely accepted as standards but not codified in EU legislation. Countries wishing to integrate themselves with the EU must have these principles embedded in institutions and administrative procedures at all levels. Actors in the public sphere are legally obliged by their national legislations to comply with these broad principles, which must be upheld by independent control bodies, systems of justice and judicial enforcement, parliamentary scrutiny, and by ensuring opportunities for hearing and redress to individuals and legal persons.

Implementing such an ambitious program can be overwhelming and demoralizing. The closest precursor to modern civil service in Georgia has been shaped under the Soviet regime, with an ideology inherent of mutual penetration of the administrative and political functions and a focus on punitive and repressive functions. The modern civil service has failed to consolidate in Georgia after it achieved independence in 1990s, but was plunged into persistent internal strife. Under severe economic and political strain, the civil service was underpaid and untrained, with most of its branches were permeated by nepotism and run through rent-seeking and graft.

Recognizing these challenges, the Government of Georgia (GoG) has prioritised civil service and public administration reform since 2014, adopting for the first time a system of coherent policy and legislative decisions in this regard. The civil service reform concept, adopted in November 2014, led to the passing of the Law on Civil Service in October 2015. The Law will come into force in January 2017 paving the way to a professional and unified civil service built around the European principles of public administration. A broader Public Administration Reform Roadmap and accompanying Action Plan have also been operational since May 2015.

This renewed focus on public administration is linked to a perceived need to ensure the sustainability and effectiveness of the significant, yet somewhat *ad hoc*, progress the country saw in the past decade in improving public administration, reducing graft and achieving economic growth. Further reforms, which are designed to advance Georgia towards the EU, strive towards the country’s integration into an advanced systemic and regulatory framework which requires the institutionalization of a professional, value-based and citizen-oriented civil service.

The Worldwide Governance Indicators compiled by the World Bank show Georgia’s dramatic progress across the board from 2004 to 2014 with most indicators on par (Rule of Law, Accountability) or exceeding (Control of Corruption, Government Effectiveness) those of EU candidate countries and of the newest (2007) EU members, Romania and Bulgaria.

Voice and accountability, a World Bank indicator measuring the extent to which citizens participate in public governance on a scale of 0 to 100, has improved from 44.7 in 2004 to 55.6 in 2014, yet civic and political participation remain uneven across different thematic issues and strata of the population, while political stability levels are lagging. Government effectiveness, another World Bank indicator measuring the quality of public service delivery, policy formulation, and the civil service, has dramatically increased over the same period from 36.6 to 71.6. However, weaknesses persist in evidence-based policy formulation as well as strategic planning, uneven quality of public service delivery, and difficulties in retaining the institutional capacity of public agencies.[[1]](#footnote-1) Logically then, the reform of public administration presents a crucial entry point for enhancing the effectiveness of policy making and service delivery across the government. Continuous improvement in the quality of public administration can offer increased predictability and protection to citizens. The improvement in effectiveness of public administration is paramount in Georgia’s current regional geopolitical and economic context.

The complex geopolitical and security challenges Georgia is facing have been compounded by economic difficulties linked to growing instability in Georgia’s neighbourhood. This has led to a devaluation of the national currency (Georgian Lari, GEL) by more than 42% against the US Dollar since November 2014, when the exchange rates started to slip, until January 2016, when the GEL-USD exchange rate hit a historical low. Exports shrunk 30% in 2014-2015 and remittances from Georgians working abroad dropped 25%. [[2]](#footnote-2) Economic hardship is likely to persist or worsen for many Georgians over the medium term: average monthly salaries stood at GEL 773 in 2013 (just under EUR 290 at current exchange rates), 9.7 per cent of Georgians were considered to live below the poverty threshold in the same year, and the country-wide unemployment rate amounted to almost 15 per cent.[[3]](#footnote-3) The International Monetary Fund (IMF) predicted 3% GDP growth for 2016, with the IMF noting downward risks due to continued crisis in Georgia’s main partner economies.[[4]](#footnote-4)

Politically, Georgia witnessed its first peaceful transfer of power through parliamentary (2012) and presidential (2013) elections. In the same period, wide-ranging constitutional changes came into effect moving the country from a presidential towards a parliamentary system of governance with increased powers of the legislature and the Cabinet. These changes have put considerable strain on the country’s administrative system and the civil service. The parliamentary polls planned for autumn 2016 will further test the stability of the political system, as well as the resilience of the civil service.

The process of Georgia’s approximation with the European Union remained central to country’s policy. An Association Agreement (AA), which includes the agreement on the establishment of a Deep and Comprehensive Free Trade Area (DCFTA) with the European Union (EU), was signed in June 2014 and was ratified by all EU members by February 2016. The Government has drawn up Action Plans to facilitate the adoption of hundreds of EU directives to further align itself with the EU’s *acquis communautaire* and integrate into the EU internal market. Many of these directives concern the free trade area, but their implementation will entail a comprehensive reform program affecting various governance areas covering economic policy making, rule of law, democratization and respect of human rights. Georgia has also implemented the Visa Liberalization Action Plan (VLAP) with the EU which is expected to lead to the lifting of visa requirements for Georgian citizens who wish to travel to the Schengen group of countries in 2016.

Work toward fulfilling this range of agreements has been reflected in a broad range of reforms undertaken by the GoG in recent years. However, focusing on technical aspects of the approximation agenda is insufficient for achieving a lasting difference in citizens’ well-being. A litmus test for the Government’s European integration strategy will be its ability to institute the principles of reliability and predictability, openness and transparency, accountability, efficiency and effectiveness into its public administration system. This will help advance citizen’s trust towards the government and improve their non-discriminatory access to necessary government protection and the services.

With a track record of reform leadership delivering internationally recognized successes, alongside the current process of AA implementation, Georgia represents a potentially significant success story for growth and development of a modern public administration system. It is evident that sustained and increased support from the international community is both timely and critical to support the wide-ranging reform efforts that will allow the country to conform to European standards of governance and market economy.

The gap analysis of ongoing implementation of the PAR Roadmap 2020 Action Plan for 2015-2016, solicited ahead of this project development, helped to identify several core tenants. At a broader level, analysis has confirmed that political will to implement PAR as well as the commitment by the AoG to implement the various elements of PAR roadmap is present. Yet, the implementation process is driven quite significantly by anticipated delays linked to the upcoming parliamentary elections in autumn 2016 and subsequent forming of the new cabinet. This creates time pressures for finalizing an array of primary and secondary draft legislation, to ensure they are passed by the sitting Parliament and Government. For example, twelve major by-laws operationalizing the 2015 Law on Civil Service, including Acts regulating the career path, rankings, pay-scales and performance evaluation are currently in development and expected to be passed before or during summer/autumn 2016.

AoG thus faces the challenge of implementing dramatic reforms in civil service under a relatively tight legal timeframe. Some of the key challenges are:

* Maintaining strategic focus of the top-level administration staff, by reducing their focus on operational and technical decisions;
* Ensuring that baseline assessments are finalized and their results are adequately reflected in the legal drafting process;
* Engaging civil servants as the agents of change in PAR, while communicating clearly and efficiently with civil society and the development community about the aims and achievements of the PAR Roadmap;
* Ensuring that civil service reform succeeds, while retaining attention and offering guidance over other aspects of PAR;
* Finding flexible sources of financial support from the international community as the available support for PAR initiatives often cannot fit the AoG’s timeline and constraints, due to rigid funding schedules of the government and international donors.

Overall, the PAR strategy deserves further significant but targeted support since several political and policy aspects must be combined to create a positive dynamic.

Firstly, there is a genuine commitment from the government and the administration to implement these reforms. Clear national ownership of the process is in place with a demonstrated track record of success. International actors can help by maintaining the strategic focus and offering peer advice to increase AoG’s risk awareness and its ability to guide the process in a holistic manner.

Secondly, the international context not only favours, but demands PAR implementation. Within the framework of the AA and the SDGs, the government has committed itself to addressing a wide range of policy issues, all of which require effective, transparent and accountable administration, ensuring the participatory, inclusive, and gender-sensitive policy process, which guarantees the respect of human rights and fundamental freedoms.

Thirdly, there is popular recognition of positive achievements in PAR, especially when it comes to service delivery. Expanding and enhancing the status of the bureaucracy is never a vote-winner, however the Georgians are aware of the benefits that improved public administration brings to their everyday lives though many positive, daily examples of interaction with reformed service delivery agencies. Citizen buy-in in PAR process can be retained through solidifying and expanding these services, and ensuring their effectiveness while maintaining their proven efficiency.

The proposed project builds on successes of the ongoing GRF initiatives, by expanding the scope of GRF with targeted, high value-added interventions to the Government’s Public Administration Reform Strategy, based on jointly identified needs. Their core objective would be to sustain, support and build key institutions and processes required for advancing the PAR reform through offering consultancy and capacity building.

# Strategy

Georgia’s transition to a parliamentary system of governance has been accompanied by a reform of the government administration. The reform is domestically led and is based on previous successes, as well as a series of recommendations produced jointly by the EU and the Organisation for Economic Co-operation and Development (OECD) through their “Support for Improvement in Governance and Management” initiative.[[5]](#footnote-5)

In 2013 the Administration of the Government of Georgia (AoG) initiated the process of Public Administration Reform (PAR) with the support of the EU and OECD/SIGMA, the leading consultancy in PAR area. Reaffirmation of democratic values, citizenship and service in the public interest has been established as the normative foundation of the PAR. The newly created Government Planning and Innovations Unit within the AoG developed the “Public Administration Reform (PAR) Roadmap 2020,” outlining reform needs and plans in six major policy areas: policy development and cooperation, human resource management, accountability, service delivery, public finance management, and local self-government.

The “Socio-Economic Development Strategy of Georgia – Georgia 2020” and the Basic Data and Directions of Georgia (BDD)[[6]](#footnote-6) set out a vision requiring effective public management delivered through the improvement of institutional mechanisms for public policy and enhancement of the links between the policy and budgeting. BDD also foresees civil service reform that will create a system for civil servants’ recruitment, promotion, and dismissal based on merit and independent from political influence.

These PAR efforts are in line with the citizen preferences revealed in the Post-2015 “My World” survey[[7]](#footnote-7), where the highest priorities were consistently an honest and responsive government and social issues. The Government’s PAR Roadmap 2015-2020 notes that public confidence in the government is directly related to its capacity of providing effective, accessible, coordinated, and consistent service delivery. In addition, under the context of globalization and regional integration, public administration needs to be increasingly flexible and able to respond in a quick and targeted fashion to changing contexts and emerging challenges.[[8]](#footnote-8)

In 2015-2016 the Government began implementing the Action Plan for PAR Roadmap 2020. Throughout this period the main actions entailed the creation of the legislative basis for reforms in multiple areas, but especially as relates to Civil Service Reform (CSR), as well as the establishment of a baseline for reforms through the initiation of a functional review process in the line ministries. Alongside these efforts, measures have been taken to sustain highly visible successes that drive the public support for PAR reforms. Building on the system of Public Service Halls – innovative one stop shops for public service delivery – the concept of Community Centres (CC) continue to deliver public services to the rural areas complementing them with additional services targeting agricultural workers and rural inhabitants. Specific emphasis was placed on socially vulnerable populations, as well as the areas populated by ethnic minorities.[[9]](#footnote-9)

Public Administration Reform also plays a major role in Georgia’s implementation of the Sustainable Development Goals (SDGs) 2016-2030, which the government has prioritized since their adoption in late 2015. The UN Country Team and the UNDP GRF in particular, through a strategic partnership with the AoG (both Policy and Innovations Unit and the Donor Coordination Unit), are supporting government efforts to both ‘nationalize’ and ‘mainstream’ SDG targets and indicators in support of national priorities and aspirations. This is an ongoing process that will require additional monitoring and evaluation capacities. The intervention proposed will provide an effective vehicle both to address these needs and ensure coherent support and coordination with the international community.

The expected project impact contributes directly to the overall UN Partnership for Sustainable Development priority, which foresees that *by 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels.*

**The targeted outcome (goal) of the project is equally aligned with the broader GRF goal:** to support the development of an efficient public administration system with a stronger capacity of the government to implement a national development agenda that will strengthen the rule of law and improve conditions for democratic accountability.

The project is designed as a set of targeted interventions to address priority needs that emerged following a needs assessment and gap analysis of existing implementation efforts and available funding.

The theory of change graph below outlines the logic of the project intervention as a set of interrelated changes that need to occur which will contribute significantly to achievement of the project outcome.



Output-level changes are represented in white boxes, while the blue boxes stipulate specific, activity-level changes that are designed to support each of the output-level transformations. The “changes” do not necessarily describe either specific outputs, or the activities. They are a reflection on the degree and direction of transformation necessary for achieving this project’s outcome.

The Theory of Change takes as its logical departure point to a simple historical fact: that Georgia has never had a modern, unified, politically independent, professional and career-based civil service which differentiates it from all new members of the European Union.

The closest precursor to the modern civil service has been shaped in Georgia under the Soviet regime, with its ideologically inherent mutual penetration of the administrative and political functions. While early Soviet civil service represented an arm of the repressive totalitarian apparatus, in late Soviet period, it degenerated into highly inefficient and corrupt structure widely reviled by the population.

The turbulent post-Soviet history of Georgia has stigmatized Soviet experience in civil service, while the “modern” civil service has failed to consolidate against the background of persistent internal political strife in 1990s. Under severe economic shocks, the civil service was underpaid and untrained, with most of its branches permeated by nepotism and run through rent-seeking and graft.

Logically then, post-2003 reforms sought to break away from the ‘old’ civil service system in its entirety, with ‘experience’ in civil service equated to ‘corruption’. The ideology of small government and economic liberalism that dominated the post-2003 administration also prevented the establishment of the unified, professional civil service, accenting instead the need for business-like competition among the various ministries and agencies. Some reforms driven by this ideology led to spectacular successes – in eliminating graft and in dramatically improving public service delivery. However, by retaining the guiding role of political leadership, they left the civil service/public administration system vulnerable to political influence. Significant overhauls of staff following the changes in political leadership at the given ministry’s helm were commonplace. The exigencies of efficiency were rarely matched with the drive towards the effectiveness of reforms, which undermined the overall consistency and predictability of the policy process.

The ongoing PAR reforms explicitly state as their objective to address these key shortfalls. The theory of change aims to support the AoG in achieving their objectives by:

* **Taking the Change Management approach**, which sees the PAR as a cultural and organisational transformation process, which requires holistic, strategic leadership from the AoG top-level managers, buy-in from the civil servants, and active communication with external stakeholders;
* **Focusing on civil servant education,** as the means of transferring uniform minimum skills and knowledge, but also for building a sense of solidarity within civil service and the common values;
* **Backing up institutional solutions to resist arbitrary pressures,** through strengthening the institutionalized systems of protection to promote independence of civil service
* **Helping solidify achievements in service delivery,** by supporting the establishment of the standardized quality management mechanisms, involving citizen-centred feedback loops;
* **Emphasizing gender mainstreaming,** by institutionalizing safeguards against gender based discrimination in hiring and promotion processes;
* **Generating public support to civil service reforms and enhancing non-governmental expertise,** through expanding engagement of the academia, non-governmental organisations and citizens in developing public services country-wide.

The ability of the project to reach its stated objectives, as well as the broader ability of the GoG to succeed in implementing the PAR strategy rests on several key assumptions:

* Successive governments retain the political will to implement PAR objectives and dedicate time and resources to implementing necessary activities;
* The legislative, policy and institutional basis is sufficient to guarantee independence of the civil service;
* Economic conditions are sufficient to sustain civil service, and should these not be the case, resource adjustments can take place while keeping in mind the strategic objectives and core values of the PAR documents;
* Government and legislative watchdogs continue to guarantee accountability of civil service, without interference of its core functions;
* Citizens and civil society serve as effective watchdogs and contribute to transparency and accountability of the civil service.

# Results and Partnerships

The overall project Outcome/Goal is to enhance the capability of the Government of Georgia to implement its national development agenda through a more effective, professionally trained, unified and independent public administration that delivers public services with greater accountability and responsiveness to citizens’ needs.

The specified outcome with three outputs addressed in Supporting Public Administration Reform though the Governance Reform Fund Project are:

***Outcome:*** *Enhanced capability of the Government of Georgia to implement its national development agenda through a more effective, professionally trained, unified and independent Public Administration that delivers public services with greater accountability and responsiveness to citizens’ needs.*

**Indicator 1.** The level of professionalism, independence and credibility of the civil service enhanced

**Indicator 2**: Merit-based recruitment and career advancement, improved protection from arbitrary decisions increase job satisfaction and retention rate in civil service.

***Output 1***

***Policy development and cooperation:*** *AoG senior staff ready to effectively manage (plan and implement) Public Administration Reform as a holistic change management process*

**Indicator 1.1.** Share of AoG senior staff time dedicated to tracking progress towards PAR strategic objectives rather than to routine tasking

**Indicator 1.2.** External stakeholders’ /donors' awareness of the PAR progress; improved incidence and quality of response to donor coordination meetings of the government.

**Indicator 1.3.** Share of civil servants understanding, supporting and promoting change associated with Civil Service reform

***Output 2***

***Civil service and Human Resource Management:*** *Professional civil service trained, and can protect itself against malpractice and arbitrary decisions*

**Indicator 2.1.** Number of civil servants re-trained

**Indicator 2.2.** Annual intake of new entrants certified and trained

**Indicator 2.3.** Strengthen a capacity of CSB for better implement civil service reform (CSR), through a range of initiatives, including the establishment and usage of mediation and dispute settlement mechanisms

**Indicator 2.4.** CSB prepared to adapt policies, diversify and deepen reforms, based on systematic analysis of implementation, generated stakeholder feedback and forward planning

**Indicator 2.5.** Citizens, civil society and academia contribute to PAR reform

***Output 3***

***Service delivery:*** *Quality services delivered, based on innovative, consistent and replicable methodology, as well as analysis of usage data patterns and consumer feedback*

**Indicator 3.1.** Proportion of public services delivered based on unified Service Delivery Standard Operating Procedures (SoP) and integrating quality assurance system in place; Citizen satisfaction about quality of public services

**Indicator 3.2.** Knowledge- and expertise-management in e-governance improved, expanding sustainability, replicability and continuous improvement of the existing services; Expert staff retention rate; staff motivation rate.

**Indicator 3.3.** Usage rate of e-governance platforms (my.gov.ge, governmen.ge, data.ge). Proportion of public services offered through electronic platforms.

The detailed Results Framework for the project is presented in the Annex I Logframe. It builds on the principles and directions identified by the theory of change, while identifying specific areas of intervention. The project outputs that will deliver the overall project outcome/goal responds to the challenges and gaps identified in the four core areas of policy support to the PAR Roadmap – Policy Development and Cooperation, Civil Service and Human Resources Management, Service Delivery and Local Government.

The sub-chapters below provide a narrative description of the logic behind each output under the Results Framework chart. The indicative activities below broadly match the output indicators under the same chart. Their numbering matches that of the output indicators, while the formulations might deviate slightly, due to different purposes of the two documents – the project proposal is descriptive of activities, while the output indicators focus results and impact.

The annual detailed planning procedure will be used to identify and plan for specific activities, depending on the analysis of the implementation dynamics and emerging needs. Thus, while the activities marked by the bullet-points under each sub-chapter are designed to broadly respond to the output indicators, they are subject to further adjustment and refinement.

## Policy development and cooperation

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| **Output 1.1.:** AoG senior staff better prepared to effectively manage (plan and implement) Public Administration Reform as a holistic change management process. |
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| * 1. Senior AoG/CSB staff receive peer advice (in ‘executive dialogue’ format) in change management;
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| * 1. Change management plan implemented through expert and methodological support and change readiness feedback incorporated in monitoring and evaluation loop;
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| * 1. Internal and external communication strategy on CSR developed and implemented;
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As evident from the historical context presented above, Public Administration Reform and in particular Civil Service Reform efforts in Georgia represent a major transformational task. If successful, these efforts will give Georgia its first ever unified, professional and independent civil service built around European standards and values. The research by Gartner Group – a research division of the IT technology firm Gartner Inc. – has offered a sobering reminder to CEOs and top managers that historically, most major business transformation efforts fail. The failure rate is often as high as 65 percent to 75 percent.

The primary cause of failure is most frequently the failure to anticipate and effectively manage cultural and organisational change. Success and failure are often about people whose values, behaviours and practices must change. It is thus about the top manager’s awareness, that transformational change goes beyond regulatory framework, but affects practices, process and behaviours.

The lessons from business as well as public sectors have repeatedly confirmed, that the key problem is not in choosing the wrong solutions, but in management being unable to effectively implement the right solutions that they have chosen. The inability of some new EU members to put into practice the transposed European legislation has frustrated EU policymakers and has sapped political support in the European capitals from efforts to further expand the European regulatory space.

Figure Change management elements. Adapted from Sciences PO Change Management Presentation 2010

The key components that need to be assessed for designing an effective change management intervention are presented graphically in Figure 1.

There has been considerable work that has gone into preparing the PAR Roadmap which clearly articulates the central element – the Vision – the change the government intends to achieve. The subsequent work to implement the PAR Action Plan has also significantly advanced the AoG’s readiness towards implementing change.

This project will help AoG and CSB managers to convert these strategic and technical adjustments into a comprehensive transformation of public administration. Failure to implement this last step can be damaging resulting in inefficient management of public resources that are already earmarked for implementing reforms and incomplete transition to the new system of public administration which might engender parallel, informal ways of management ultimately affecting the integrity of the civil service.

Thus, the interventions suggested by this proposal chiefly contribute to the improved ability of AoG and CSB leadership to implement change as well as the willingness of civil servants to become the agents of change. Top managers of AoG/CSB as well as the “agents of change” – heads of the strategic planning and/or human resources sections in the line ministries - are the direct beneficiaries of this component, since they will receive direct coaching and assistance. Rank-and-file civil servants will benefit from the implementation of the proposed change management strategy, by increasing their motivation to support reforms that lead to higher predictability: in terms of career progress, duties and responsibilities, as well as the benefits and remuneration.

Specific interventions will include:

* **Peer consulting for AoG managers in “executive dialogue” format**: The interviews reveal, that while the top AoG managers have internalized the PAR vision, too often they focus on putting out fires: they focus on time-bound activity-level interventions, rather than steering the change management process strategically. Understaffing, insufficient human and financial resources allocated to reforms, competing sets of priorities, as well as the time pressure result in managers losing their strategic focus. The intervention would provide support and advice from a top-level civil servant with experience in managing complex change to AoG leadership. This will create a ‘safe space’ for discussing inevitable political and bureaucratic dilemmas. The project will look into engaging a senior civil servant with adequate familiarity to Georgia, and/or comparable contexts in post-Socialist countries of Eastern Europe.
* **Implementing a Change Management Plan**: The project will contract an experienced Change Management Consultancy team with experience in both public and private sectors to integrate change management tools and practices into implementation of the PAR Roadmap. The consultancy will involve senior-level facilitated workshops and methodological advice, which will help re-cast the PAR Roadmap as a change management process, aimed at studying and changing culture and behaviours, identifying the agents of change and selecting the key managerial interventions to build the civil servants’ faith in the PAR reform process. The intervention would also involve integrating the continuous assessment of the willingness to adopt change into PAR Action Plan monitoring and evaluation loop. Since the change management methodologies are proprietary to the consulting companies that have developed them, the project will look into engaging an institutional partner to implement the full cycle of change readiness assessment, planning and implementation.
* **Elaborating and implementing the communication strategy:** Based on change management philosophy and vision, the consultants will advise the top management of AoG and its Policy Planning Unit (PPU) and Donor Coordination Unit (DCU) as well as CSB on appropriate communication strategies internally – with civil servants, and externally – with development partners and the population at large. The objective of the strategy would be to ensure internal buy-in, generate professional debate in the civil society and to promote PAR reforms as the means to improve citizens’ access to and satisfaction with public services. This component will benefit from inputs of the change management process and will engage individual experts as needed to support the GoG counterparts.

The implementation of a Change Management Plan and the development and implementation of an internal communications plan will employ gender mainstreaming tools. Peer advice received in “executive dialogue” format will target both men and women and take into account their needs. In addition, the project will engage a gender expert.

## Civil service and Human Resource Management

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| **Output 1.2.:** Professional civil service recruited and trained to unified standards, and can protect itself against malpractice and arbitrary decisions  |
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| * 1. Entry level certification program for aspiring civil servants established;
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| * 1. Civil Service School established, basic and generic courses developed, courses by external providers certified and civil servants trained;
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| * 1. Civil Service Bureau expands its ability to perform its functions under PAR strategy
	2. Expanding GoG capacity to analyse, develop and test innovative policy
	3. Channelling civil society and citizen contribution into innovative policy
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The donor community has been dedicating substantial attention and support to reframing the human resources management policy. Since many concurrent efforts are under way and planned for the coming years, the UNDP project team consulted relevant donors extensively to share knowledge, avoid overlaps with ongoing aid efforts and ensure future initiatives are complementary to both the development partners and the GoG.

The PAR Action Plan (Objective 3.6), highlights the need to develop a more coherent and sustainable system of civil service training as part of an overall package of reforms designed to establish more transparent recruitment, promotion and grievance procedures. Keeping in line with this GoG objective, the output will focus on four key areas: recruitment into civil service, lifetime training of the civil servants, mechanisms of dispute mediation and offering forward-leaning expert support for the next generation of reforms.

At present, recruitment into civil service is done by individual ministries and agencies, using divergent practices and standards. Similarly, training is compartmentalized and often organized on an ad hoc basis. Some line ministries, notably the Ministry of Finance and the Ministry of Justice, Ministry for Regional Development and Infrastructure, Ministry of Science and Education, as well as private and public higher education facilities have their own training curricula, programs and facilities. These are not integrated into a comprehensive training system, with unified standards, methodological approaches and quality control.

Supporting the implementation of civil service reform through building the capacity of CSB, the establishment of dispute settlement mechanisms and assistance in other emerging requirements will aid in the development of a professional civil service.

The development and implementation of a unified and basic continuous training program and mediation and dispute settlement mechanisms for civil servants will take into consideration specific means to help overcome identified barriers to men and women’s full participation in training and other activities. The basic and generic courses developed under the civil service school will incorporate gender considerations in the design of the materials.

UNDP will focus its effort on the listed interventions, it will also ensure the integration of the necessary results and findings of the work performed in parallel by other donors into the programs and courses to be developed for the public servants. It may include but not be limited to the findings of the functional analysis (performed by USAID at central level and by UNDP and GIZ at a local level) as well as the processes and products such as job evaluations, job descriptions, performance evaluation appraisal, career development, pay/bonus incentives, rankings and scales, etc. Mediation and dispute resolution mechanisms will be included as part of the training and certification packages as well.

**Entry-level recruitment and certification procedures established:**

As the first step in modernisation of the civil service, CSB is tasked by law to ensure equal and non-discriminatory access to civil service as well as transparent, merit based procedures for the recruitment of aspiring candidates. The project will provide expert support to CSB in developing the questionnaires and examination designs for initial recruitment of the new civil servants. These would feed into regular recruitment events that CSB is mandated to organize annually and help to update the roster of the prospective civil servants. The roster will include the candidates that possess general behavioural aptitude as well as the necessary entry-level qualifications in pre-defined areas (e.g. accounting, clerical, technical support, research, etc.). Limited assistance will also be provided in publicizing these recruitment events, as a part of the general civil service reform communication strategy.[[10]](#footnote-10) The first recruitment test for the aspiring civil servants is scheduled to take place in September 2016, and the preparations are already under way. The project’s support will help CSB meet necessary deadlines for shaping the content of examinations and to provide expert feedback on recruitment system designs that are already developed.

**Civil service training and continuous education system operational:**

CSB is responsible by law for the overall development of the civil service training system. In February 2016, the International Education Centre (IEC) was charged under the Memorandum of Understanding with CSB to develop and implement civil service training system. Following the protracted discussions, it was decided to create a three-pillar system of civil service education, spanning: a) basic training, b) continuous and specialized education and c) senior level coaching and training.

1. Pillar one: basic training will be offered to new recruits into civil service, and re-training of the current civil servants will also be conducted. IEC will manage the process at a separate new facility with infrastructural costs borne by the government. In this area, CSB envisages a face-to-face raining process to take priority, while e-learning modules will play a secondary role. Personal presence is seen as a way to establish the team spirit and personal linkages across the service. The common basic curricula will focus on core rules and regulations of the civil service, the principles of public administration, elements of ethics, programme management (especially managing the EU projects under AA), human resources management principles, etc. This AoG objective is to establish common ethical standards and the common language of administration. This project will support CSB/IEC in the development of the curricula through offering best international practices and expertise.
2. Pillar two: continuous and specialized training: as civil servants progress in ranks, they will be required to gradually expand their administrative capacities. In addition, civil servants under the reformed system will also be able to move across ministries within the same rank and grade. Hence, continuous education and specialized training is necessary. According to CSB/IEC plans, the current programs and facilities by the line ministries will be brought together and standardized into training modules, to be offered on demand at the existing facilities of the line ministries as well as e-learning modules. It also intends to open the pillar for third-party non-governmental providers of training, such as think-tanks, universities, NGOs, consultancies, etc. This project will support CSB/IEC by offering expert support for developing e-learning modules, curricula, testing and evaluation software, as well as validation that the developed programs meet the set criteria.
3. Pillar three: senior level coaching and training: the new Law on Civil Service does not foresee the position of a “senior civil servant” in each of the Ministries (e.g. the State Secretary). These functions are likely to be subsumed by the Deputy Ministers (at least in larger ministries). For the reformed system to function properly, these senior managers will have to speak compatible administrative language and understand planning and programming instruments. Yet, their level of seniority and competence makes the first-pillar course inappropriate for their needs. Hence, it is planned to create a set of high-level coaching and training courses involving senior managers and the most senior civil servants (Heads of Departments). The development of this concept is still in its infancy, so this project will offer expertise and best practices to CSB/IEC in identifying the most appropriate model.

The project will also assist IEC in developing outreach materials to inform civil servants about their career opportunities and encourage them to take part in optional career development trainings.

**Civil Service Bureau expands its ability to perform its functions under the PAR strategy:**

Ongoing reforms in the professional civil service will include the development of the job descriptions, assignment of the ranks and grades to already employed civil servants, establishment of the new regulations relating to social protection and entitlements, as well as the gradual roll-out of the performance evaluation practices. In each of these areas, a wide range of activities including capacity building of the CSB, the establishment of dispute settlement mechanisms and assistance in other emerging requirements are necessary to aid ongoing reforms and ensure future sustainability of initiatives.

Capacity building of the CSB will entail support to further institutional strengthening of the Bureau to better address the tasks and responsibilities as envisaged by the ongoing Civil Service Reform and the PAR strategy. A thorough capacity assessment of the institution will precede and inform the comprehensive capacity development assistance. The support provided will be synchronized with and tailored towards the CSB priorities, and involve hand-on, practical assistance (so called on-the-job training) to the largest extent possible.

Assistance to the CSB to design and establish a proper dispute-resolution mechanism will form one of the pillars of its capacity development support. While the law tasks CSB with dispute resolution in civil service, no actual procedures currently exist. Consequently, the courts offer the only available legal redress, which is wasteful in terms of time, too tardive for addressing underlying problems in a timely manner, as well as excessively adversarial for cultivating a positive working environment in the civil service. Most governments and international organisations possess both formal (binding arbitration) and informal (peer counselling and mediation) mechanisms that can be utilized by civil servants – both managers and line workers – to shed light on disputes regarding applicable regulations or resolve disagreements before they reach litigation.

While no such mechanisms exist in Georgian public sector at the moment, it can be foreseen that with the implementation of the civil service reform disputes over the interpretation of the provisions or their application will likely arise. To ensure that the adopted documents are applied in real life and considered by civil servants as relevant to their work, it is crucial to provide mediation and arbitration services. Simultaneously, assuring civil service independence from political pressures and administrative malpractice is one of the key elements in ensuring civil servants’ support to PAR process.

Assistance will include an initial study of the practices in select countries to identify suitable models. The reviewed systems may include mediation and dispute settlement through formal arbitration by a body overseeing the civil service (such as CSB), as well as more flexible approaches involving nomination, selection and continuous training of the peer mediators and staff representatives.

Expert assistance in elaborating the regulatory framework for formalizing the selected model, training of the mediators, as well as the communication and promotion of these mechanisms will be utilized. UNDP’s ongoing support to the justice sector in promoting alternative dispute resolution (ARD) measures will provide a useful basis for expertise.

Within this output indicator, additional funds have been allocated to provide on-demand assistance to address civil service reform needs that come into sight in 2017. This is in line with the approach traditionally taken by the GRF on-demand mechanism giving the GoG some flexibility to address emerging issues. The on-demand mechanism has previously included activities such as drafting a new law or strategy and providing recommendations for action plans. These funds seek to provide support to increase capacity building in and provide assistance to surfacing requirements.

**Expanding government capacity to innovate through citizen participation (Civil Service Innovation Works)**

While the PAR Roadmap sets core objectives until 2020, the new Action Plan for 2017-2018 is already under development. The project will endeavour to encourage the GoG in thinking about further innovations in civil service and to enhance civil society participation in this process.

The Georgian Government, through Public Service Development Agency [Innovation Service Lab](http://europeandcis.undp.org/blog/2015/08/12/going-from-an-idea-box-to-out-of-the-box-in-georgia/), has already been exposed to [UK-driven innovation practices](http://europeandcis.undp.org/blog/2014/08/21/minding-the-gap-georgia-takes-a-page/), like the [Behavioural Insights Team](http://www.behaviouralinsights.co.uk/about-us/), [Nesta](http://www.nesta.org.uk/about-us/our-history) and [FutureGov](http://europeandcis.undp.org/blog/2014/10/21/come-co-design-with-georgias-new-innovative-service-lab/). It is currently working towards evolving the existing expertise into a centre of excellence on public service innovation similar to [Policy Lab](https://openpolicy.blog.gov.uk/category/policy-lab/) in the UK. This requires the creation of a neutral space for policy-makers to collaborate across departments and engage with the public and external experts in key policy areas through a rigorous, collaborative process using a range of innovative tools and techniques from data science to design.

The project will take a three-pronged approach:

* Supporting systematic, qualitative and quantitative analysis of the reforms that are being implemented to identify the areas of improvement;
* Building civil society capacity to act as a partner to AoG in analysing ongoing reforms and suggesting further innovations;
* Encouraging the flow of the best, innovative international practices both in terms of content of civil service reforms and the process of debate about innovations.

To support the PAR process in ongoing monitoring and application of innovative tools and techniques to address the challenges, **Civil Service Innovation Works** annual research and development (R&D) cycle will be envisaged culminating in annual conference/workshop gatherings around the key elements of this project and PAR:

1. Hiring and performance evaluation: e.g. looking into behavioural (role-play based) methods for hiring and evaluating civil servants;
2. Civil service education: analysing new trends and approaches;
3. Mediation and arbitration: analysis of the trends of usage of the introduced systems, suggesting improvements and clarifications to the regulations;
4. Models of managing civil service: e.g. the feasibility study for the introducing the senior civil servant positions;
5. Civil service ethics;
6. Sectoral initiatives: adapting the new legislation to the special needs of the line ministries (e.g. the Ministry of Foreign Affairs).

The R&D cycle will have a more practical angle to it – i.e. targeting a specific issue in PAR and bringing in practitioners and innovations to develop practical solutions to them. In this way the benefit is two-fold: developing expert capacity of Government both in particular areas of PAR, as well as creating new dedicated capacities to carry out user-centred research, rapid prototyping, data and design, and develop a new generation of services that the Government will be able to roll out in order to make itself more agile, faster, and adaptable.

The **Innovation Works** will support development of the periodic policy papers, while an annual Policy Lab cycle with particular emphasis on opening the [experimentation space for citizens](http://thegovlab.org/what-citizens-can-teach-civil-servants-about-open-government/), civil society and academia to contribute to PAR reform with the aim of attracting already existing, but limited local expert capacity, as well as expanding it. It will be complemented by stakeholder dialogue to move to common action resulting in (i) scalable and replicable governance innovation through collaboration-by-doing between institutions and networked citizens with civil servants, citizens and private sector partners trained to cooperate and deliver common action; and (ii) a well-documented social experiment of synced national interventions augmented internationally for social and economic capacity building and peer to peer learning. This constitutes valuable knowledge in the context of lean state budgets and increased citizens’ demand for public services.

Small grants scheme will be made available to NGOs and Academia to contribute policy papers and analysis. The initiative shall aid the recently professed intention of the Prime Minister to involve civil society more actively into the policy- and decision making.

The proposed activities build on the Georgian Government efforts to develop [public service innovation](http://www.nesta.org.uk/publications/why-motivation-matters-public-sector-innovation) capacities initiated in 2014, with the Public Service Development Agency (PSDA) setting up of [Innovation Service Lab](http://europeandcis.undp.org/blog/2015/08/12/going-from-an-idea-box-to-out-of-the-box-in-georgia/).

## Service delivery

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| --- |
| **Output 1.3:** Quality services delivered and innovations planned, based on consistent and replicable methodology, citizens’ needs and feedback consistently integrated into service development |
|  |
| * 1. Common Standards and Principles of Service Design and Delivery (SoPs) established and implemented, integrating quality assurance systems
 |
| * 1. Competency Centre on Service Delivery and E-governance oversees quality control at home and conducts twining/experience transfer programs abroad
	2. Citizen feedback integrated into development of online services, their usage increased.
 |
| Dramatic improvements in public service delivery became the calling card for renewed Georgian public administration, earning its support and respect at home and abroad. However, this generic development historically lacked the coherent unified framework now provided by the PAR Roadmap. Changes were uneven across the sectors, implemented under time pressures and with the concerns of expediency and efficiency given priority over effectiveness, sustainability and quality control. As the most visible element of PAR success, sustaining the pace of improvement in service delivery is likely to have an important positive impact on generating public support to overall PAR activities. On the contrary, deterioration of the service quality in flagship components (such as, for example, the Public Service Houses) will adversely affect the citizens’ satisfaction with public services.The investment in creativity and effort has been enormous, and while the achievements in public service delivery might be spectacular, these practices have been developed and expanded in an extremely tight timeframe. Many elements of a complex business cycle were developed on an ad-hoc basis, while some technical and IT solutions rely heavily on the expertise of individual employees. These weaknesses are well understood by the key national agencies responsible for service delivery, such as the Public Service Delivery Agency (PSDA) and the Data Exchange Agency (DEA), which will implement a set of activities to improve predictability and accessibility of innovative services and develop replicable methodologies and quality control systems, all while aiming to improve accessibility of these services to the wider strata of citizens.* **Developing the Common Standard and Principles of Service Delivery:** the project will support a study of the current service delivery practices which will help identify and select an international quality assurance model that can be used for service delivery in public administration (e.g. ISO 9001, Lean Six Sigma, EFQM) and – based on this model - will support the development of the Standard Operating Procedures (SOPs) for the GoG. SOPs will be drafted, adopted and published. They will help to solidify the existing institutional knowledge, create guidelines for the application of service delivery methodology and thus increase the predictability, replicability and sustainability of services. This activity will be led by PSDA in conjunction with the relevant ministries and agencies.
* **Establishing the Competency Centre on e-governance**: Georgia has developed original e-governance services (business registration, civil registry, property registry, etc.) which are at the cutting edge of the modern international market. Driven by the government vision, these were mostly developed in-house by the government agencies. The project will partner with the responsible GoG body - the Data Exchange Agency (DEA) - to ensure the consistent quality of these services, their continuous upgrade and to promote international experience sharing. To serve these ends, the national e-Governance strategy foresees creation of the Competency Centre on E-governance. The Centre is modelled on similar agencies in Estonia and Singapore. The Estonian government is currently building the capacity of DEA to establish and operate such Centre under the EU-supported Twinning project.

The e-Governance Centre will help improve the quality of services to Georgian citizens by developing the currently non-existent technical documentation for the e-services; by integrating quality assurance and citizens’ feedback loops into them; and by building the knowledge/best practices database. The project will support DEA in furthering their knowledge on similar centres, by offering consultancy services for developing the technical documentation and by helping DEA to exchange Georgia’s know-how with interested international organisations and foreign governments. * **Citizen feedback integrated into development of online services, their usage increased**: There are several digital platforms designed to provide citizens with key public services. Under the GoG e-governance strategy it is planned to further develop My.gov.ge as the meta-platform for offering all electronic services through utilization of the electronic ID card. The my.gov.ge is currently available online, but remains underused. The same is true to other web-based services, such as government.gov.ge and data.ge. The proposed activity will study the trends of usage and the reasons for the slow uptake, identify citizens’ needs and reservations and will support limited, targeted interventions to increase the effectiveness and sustainability of the e-governance services. The activities will include expanding communication efforts; implementation of the Customer Relationships Management System (CRM) that will help better integrate customer feedback and improve customer support by offering telephone and online helplines; and advancing quality of e-services and progressively ensuring that all government services are also made available online.
* The implementation and establishment of common standard and principles of service delivery will incorporate and reflect gender-sensitive strategies. The establishment of a competency-centre on e-governance will take into account gender principles to help overcome identified barriers to men and women’s full participation in the system. Special emphasis will be made on developing a citizen feedback mechanism that ensures equal opportunity for both men and women to provide input.
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***Resources Required to Achieving the Expected Results***

Through its Governance Reform Fund (GRF), UNDP has offered consistent support to Georgia’s efforts to reform its public administration. Initiated more than a decade ago, the GRF has assisted the GoG in a series of public administration reforms delivering successes in both (a) tackling corruption and (b) building the capacity of the public sector. The GRF has become indispensable to the government’s reform efforts due to the flexibility of its funding mechanism and its capacity to respond rapidly to urgent needs.

In the most recent phase of the project, capacity development has increased in the areas of policy design, public financial management, access to emergency services for persons with disabilities, innovative public service design, education quality management, penitentiary and probationary systems and developing whistle-blower protection mechanisms as a result of the implementation of 15 initiatives during the 2013-2015 GRF period.

As a result of this decade long experience of working with the government on a number of strategic areas, the GRF project has set up effectively functioning team professionals and management schemes. Specifically, regarding involvement of the UNDP staff, Democratic Governance Team Leader and respective Programme Associate will play the Project Assurance role. Besides, Project Board will carry out objective and independent project oversight and monitoring functions. The Project Assurance team will act as an objective quality monitoring agent, avoiding the potential “self-serving bias”. In addition, the project assurance will verify the products’ or outputs’ quality.

Various international and local Consultants/companies will be recruited as required for provision of high level expertise in public administration reform, policy development, and public service delivery, to local counterparts.

Moreover, UNDP will provide operational support to the project in the following areas: human resources management services, financial services, procurement and contracting services, as well as with logistics and administration. UNDP will be responsible for the provision of all project inputs upon a formal request from the relevant stakeholders. They will provide UNDP with the necessary documents authorizing payments to be made in connection with project activities.

***Partnerships***

UNDP Georgia has forged a strategic partnership with the Administration of the Government of Georgia (AoG), including both the Policy Planning Unit (PPU) and the Donor Coordination Unit (DCU) around broader donor coordination efforts and support to PAR in particular. The AoG (PPU and DCU) will serve as principal stakeholders for this project. Other key national partners include the Civil Service Bureau (CSB), International Education Centre (IEC), Public Service Development Agency (PSDA) and Data Exchange Agency (DEA). In addition to the above-mentioned partnerships, the Project will work closely with a range of other line ministries, public agencies and civil society organisations as required.

As a key player in the establishment of the first strategic mechanism of aid coordination through GRF support to the AoG and DCU, UNDP will continue to provide support to aid effectiveness via the six Thematic Coordination Groups: Good Governance, Rule of Law and Justice, Economic Growth, Human Capital Development, Social Welfare and Sustainable Use of Natural Resources. In partnership with the DCU, UNDP will continue to identify opportunities for making further contribution to optimize the coordination process and maximize the reform benefit. This will provide an opportunity for significant engagement and visibility to all GRF donor partners on a wide range of reform issues beyond PAR.

The Project will continue close coordination with international donors and key external players such as EU, NATO, USAID, the World Bank, and GIZ. Such partnership meetings take place to coordinate support under broader public administration reform which includes civil service reform. This will ensure that donor support is aligned with PAR Roadmap objectives and critical needs, addresses gaps in a consistent manner and ensures that strategic-level discussions are regularly held on progress towards these objectives.

***Risks and Assumptions***

The table below stipulates the assessed risks and mitigating circumstances for each of these assumptions. The table focuses on the strategic (outcome) level risks. For maintaining a more detailed record of and ensuring the monitoring of emerging operational risks, UNDP/GRF utilizes a risk log functionality in its standard project management and information system (ATLAS). The ATLAS risk log will be developed at the inception of the project and updated on a regular basis throughout the project lifecycle.

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| **Risk** | **Likelihood** | **Impact** | **Mitigating action** |
| **2016 elections result in staff turnover and lack of continued commitment to the project at policy and leadership levels** | Low | High | Empowerment of middle managers from the early stages of the project. Staff retention-oriented activities, reference to pre-existing and committing strategic documents. |
| **Self-imposed tight deadlines lead to sub-optimal quality of legal drafting, since baseline research and stakeholder feedback are insufficiently integrated** | Medium | Medium | Maintaining peer dialogue with AoG leadership regarding the deadlines, providing ongoing advice about sequencing of reforms, encouraging methodologically sound outputs, focus on process as well as outputs, encouraging early implementation of the monitoring and evaluation capacity to provide corrective action. |
| **Lack of coherence between strategic directions for PAR Roadmap 2020 and day-to-day decisions on civil service reform by GoG (short-term approach leading to dispersion of efforts)** | Medium  | Medium | Context monitoring as part of regular project monitoring will enable to identify such occurrences and flag issues to decision-makers. Participatory approach and high level of empowerment will incentivize coherent approach. |
| **Lack of investment in horizontal communication and coordination by AoG, leading to dispersion of efforts, in particular as concerns the use of other donor support.**  | High | Medium | Regular donor coordination efforts. Context monitoring as part of regular project monitoring will enable to identify such occurrences and flag issues to decision-makers. Participatory approach and high level of empowerment will incentivize coherent approach.  |
| **Evolution of regulatory framework and IT tools used in the civil service preceding change in approach and business processes, leading to perpetuation of unwanted practices** | Medium | Medium | Context monitoring; early focus of the project on internal business processes, education and change management.  |

***Stakeholder Engagement***

GRF has identified four crucial stakeholders responsible for different project related outputs:

* The Administration of Georgia (AoG) – accountable for the overall successful implementation of the national agenda including the public administration reform;
* Civil Service Bureau – directly responsible for planning and executing civil service reform;
* International Education Centre (IEC) – key institution in the context of civil service reform responsible for establishment of unified civil servants’ professional development platform;
* Public Service Development Agency (PSDA) – an institution in charge of coordinating government’s efforts to create modern, user-friendly, and accessible public services country-wide;
* Data Exchange Agency (DEA) – an organization in charge of fostering ICT development and introduction of e-government in various areas on the national scale.

These institutions make up the key list of stakeholders as they are in the key positions to influence successful public administration reform.

GRF’s key strategy to engage stakeholders in the process has always been ensuring that local counterparts are the genuine owners and drivers of different initiatives. This is crucial for the successful implementation of large-scale efforts such as the public administration reform and similar. Strengthening local ownership and commitment is also important in order to properly align external support to the needs of the target organizations.

Besides government counterparts, under the frames of this project, GRF will partner closely with CSOs, and Academia. Small grants, and research opportunities as well as stakeholder coordinating meetings and workshops will be used in order to ensure a participatory reforms process.

***South-South and Triangular Cooperation (SSC/TrC)***

GRF is interested in building South-South as well as Triangular Cooperation in its initiatives. Specifically, this project will facilitate South-South cooperation via establishing a regional Competence Center by the Data Exchange Agency (DEA). The goal of the center is to link local competencies with the development needs existing in other, mostly developing countries. As part of this exercise, DEA will create a knowledge base of successful reforms including relevant costing, methodology, competencies, etc. and offer tailored assistance to interested countries in implementing similar initiatives.

Additionally, during the implementation phase of the project, GRF will further consider relevant SSC / TrC opportunities based on the needs of the counterparts.

***Knowledge***

There are a number of knowledge products that will be produced by the project, including:

1. Guidance on planning and implementing public administration reform (PAR) as a holistic change management approach. This includes development of change readiness assessment, change management plan, and similar documentation;
2. Guidance on establishing and running unified civil servants’ professional development platform. This includes development of training programs’ and trainer’s accreditation policies and procedures;
3. Guidance and technical support to conduct mandatory certification of civil servants;
4. Public service delivery policy and standards to be implemented by major public service agencies.
5. Guidance on establishing a Competence Center, which includes establishment of a competence register (by creating relevant documentation and describing methodologies of successfully undertaken reforms and changes) on Georgia’s expertise in various reform areas;
6. Guidance on introducing improved practices of policy development, monitoring and evaluation;
7. Video material showcasing examples of best practice in public administration reform.

Training programmes will be developed for different professionals to be involved in the public administration reform, public service delivery, policy implementation, etc. In many cases, the ToT approach will be used in order to create pool of trained professionals who can act as leaders and change agents in respective organizations.

Additionally, various baselines (the final list of which will be identified during the first months of the project) will be implemented with the aim of defining the baselines related to the different PAR areas.

***Sustainability and Scaling Up***

Development of professional and modern civil service and public administration are decisive for ensuring the resilience of Georgia to internal and external shocks, and for achieving the country human development objectives by ensuring citizens’ access to their rights and services, as well as facilitating development of better public policies.

GRF intervention has been continuously supporting key GoG institutions in strengthening their policy-making and administration capacities. Each initiative has been implemented in a way that aims to maximize the sustainability of results.

Ensuring the sustainability of GRF initiatives will remain the highest priority for UNDP in the proposed new project of the GRF. The experience and lessons learned from previous interventions as well as UNDP good practices in general will feed into the sustainability strategy of the new phase. The goal of sustainability in the model is to implement and maintain effective initiatives and systems that are continually responsive to stakeholders’ needs. This is accomplished by examining factors that, if addressed diligently through strategic planning, can increase the sustainability of interventions and their results.

These factors include:

* **Alignment of the program with stakeholder needs:** The project objective is linked to the fulfilment of national and/or agency’s strategic priorities. Reforms must meet the needs of intended users and other stakeholders if they are to be sustained. The intervention logic therefore is to support initiatives that are demand-driven. To reap the benefits of long-term reform sustainability, focus is placed on activities that are owned by decision-makers, contribute to replicability, institutional strengthening and continuity.
* **Ownership and partnership among stakeholders:** It has been shown that ownership among stakeholders is vital for an initiative’s sustainability. Establishing and maintaining positive relationships between stakeholders is a key part of this, as activities are to be developed and implemented together with management and staff of the partner agencies.
* **Quality of program implementation:** Commitment to the quality of program implementation via process, fidelity, and project evaluation helps sustain innovation and ensure commitment by adopters.
* **Measurement, monitoring and evaluation:** Agreement on measurement and evaluation processes, including key project benchmarks and targets, lends transparency to the program and should be settled very early in the project initiation phase. Early assessment of needs provides a baseline against which improvements can be measured. This exercise will take into account the indicator model included in the latest UN Partnership for Sustainable Development (UNPSD) and Country Program Document (CPD) framework, focusing on governance indicators developed and measured by the World Bank and the SDGs. In the context of this project, a mix of quantitative and qualitative indicators will be used to strengthen monitoring and evaluation approaches used to assess any stage of a development program – including diagnostic and planning studies, constructing baseline data, assessment of program implementation, and evaluating outcomes and impacts. Mixed methods can be used particularly to improve an evaluation by ensuring that the limitations of one type of data are balanced by the strengths of another and provides more insightful understandings. In addition to the monitoring of the project results, regular scrutiny of the project environment will be conducted with focus on activities of other actors involved in PAR.

The parliamentary elections of October 2016 falling within the project period may be viewed as a risk of losing newly cultivated skills of public officials as well as disrupting ongoing initiatives. However, those risks seem to be considerably lowered by the past GRF record, when elections have minimally affected relevant plans and ongoing initiatives. The probability of the relevant risk is further lowered as lately the GoG has shown greater responsibility in attempting to retain a core of the civil service and developing procedures necessary to sustain a parliamentary democracy; for instance, the incumbent government was at one point considering preparing a hand-over documentation for a potential new government. The approach is crucial to maintaining the improved capacity of government agencies and to the preservation of public administration structures created with the assistance of the GRF.

***Gender Equality and Women’s Empowerment***

"Support to Public Administration Reforms in Georgia through Governance Reform Fund (GRF)’s” prior experience and lessons learned will inform its strategy toward addressing gender equality and women’­s issues during the current phase. The project will ensure that its activities and initiatives continue to promote gender equality and the empowerment of women is in line with the principles of the Convention on Elimination of all Forms of Discrimination against Women (CEDAW) (ratified by Georgia in 1994), Law on Gender Equality (March 2010), and the Gender Equality National Action Plan for 2014-2016.

Georgia has been making progress towards gender equality and the empowerment of women: the country has committed to ratifying the Istanbul Convention on preventing and combating violence against women and domestic violence. In the field of gender equality in the workplace, the new Labour Code has somewhat improved the protection of pregnant employees by extending maternity leave benefits and duration. Georgia also has made good progress in mainstreaming gender issues in the national reform process by adopting subsequent Gender Equality National Action Plans, introducing gender indicators in the program budgeting manual (2015) and conducting gender audits in the parliament and the Ministry of Internal Affairs (2014).

UNDP will draw the attention of stakeholders and counterparts to the effects their policies and decisions have on these priority areas of gender concern in Georgia. Where possible, UNDP will also support counterparts in addressing challenges in the implementation of the Gender Equality National Action Plan (NAP) 2014-2016 within public institutions. These challenges have been identified as limited resources, a lack of coordination, and inadequate comprehension of gender equality and mainstreaming concepts with the public sector.

Within the framework of the project, UNDP will engage with national counterparts to ensure that gender mainstreaming is observed in the design and implementation of interventions, i.e., that impacts on gender equality are analysed in the design phase, gender equality is maintained in implementation, and gender-disaggregated data is collected, where possible, for monitoring and evaluation purposes. Capacity building measures have a long-term effect on representation and power relations in institutions, therefore close attention will be paid in the current GRF phase to ensuring that women are proactively involved in the development and implementation of project activities and equally benefit from the results. Fair representation will be sought in different consultative processes and female experts will be recruited whenever possible. Further, the project will join forces with the UNDP Gender Equality program on incorporating gender principles throughout the civil service reform.

Gender analysis and assessment of outputs as well as the design of activities, proposals, reports and M&E will take into account the following issues:

* Are there differences between women and men regarding:
	+ Roles and power within decision making;
	+ Division of labour, formal and informal;
	+ Access to and control over services and opportunities;
	+ Participation/consultation and representation, as actors and beneficiaries including within politics and governance.

# Project Management

***Cost Efficiency and Effectiveness***

The following GRF approaches will be crucial to achieve maximum effectiveness and cost efficiency:

* Local Ownership – GRF is using a participatory process to align its activities to the needs of the counterparts. National Implementation Mechanism (NIM) has been selected in order to further foster engagement of local authorities in the project planning and execution;
* Capacity building and ToT – there is a tremendous focus of building local expertise, which must continue producing results after the termination of project bound activities. Capacity building is conducted based on the trainings including ToT as well as by hiring international and local experts. Letters of Agreement (LoA) are also being signed with the key counterparts for them to manage certain set of activities and achieve progress in specific directions;
* Partnership and coordination – UNDP is one of the leading coordinating bodies among donor organizations. Regular meetings are held with the participation of all major actors involved in supporting PAR with various actions. Annual work plans and initiatives are jointly analysed, synergies identified and overlaps avoided.

***Project Management***

The Project will be implemented under the National Implementation (NIM) modality with full Country Office support. The Project will implement baseline surveys (especially the surveys of the main institutions’ capacities) to ensure traceability of the Project’s performance, quantification of the targets and results. This will help to ensure high effectiveness of the project support. The survey results will help the Project in identification a quantifiable and qualitative indicators and their reflection in consequent detailed monitoring and evaluation framework to be created in the first quarter of the project start.

The project will be implemented by UNDP Tbilisi office. The Project Office in Tbilisi will consist of GRF Project Manager, Chief Technical Advisor (part-time), Public Administration Reform (PAR) Coordination, Public Policy Coordinator, Capacity Development Specialist, Monitoring and Evaluation Specialist, Communications Specialist, and Project Admin / Finance Associate. Technical and logistical support will be provided by driver and cleaner.

Various Consultants/companies, international as well as national will be recruited as required for provision of high level expertise in different areas of PAR.

UNDP will provide operational support to the project in the following areas: human resources management services, financial services, procurement and contracting services, as well as with logistics and administration. UNDP will be responsible for the provision of all project inputs upon a formal request from the relevant stakeholders. They will provide UNDP with the necessary documents authorizing payments to be made in connection with project activities.

The project will be subject to UNDP policies and procedures for internal and external audit.

# Results Framework[[11]](#footnote-11)

| **Intended Outcome as stated in the UN Partnership for Sustainable Development (UNPSD) / Country Programme Document (2016-2020) Results and Resource Framework:** **Outcome:** (#1) By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels**.** |
| --- |
| **Outcome indicators as stated in the UN Partnership for Sustainable Development (UNPSD) / Country Programme Document (2016-2020) Results and Resources Framework, including baseline and targets:**1. Worldwide Governance Indicators. *Baseline (2013):* Voice and Accountability[[12]](#footnote-12) index 54.5%; Rule of law index 53.6%; Government Effectiveness Index 69.4%. *Targets (2020):* Voice and Accountability index >60%; Rule of law index >58%; Government Effectiveness Index >72%2. Level of public confidence and satisfaction with legislature, judiciary, democratic system and public service delivery. *Baseline:* to be established (2015). *Target:* to be set based on 2015 baseline3. S[eats held by women in parliament and local councils.](http://data.worldbank.org/indicator/SG.GEN.PARL.ZS) *Baseline*: Parliament 11% (2012); Local councils 11.8% (2014). *Target*: Parliament 15% (2016) 20% (2020); Local Councils 15% (2017) |
| **Outcome from the UNDP Strategic Plan (2014-2017):** **Strategic plan** **outcome:** (#2) Citizens’ expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance. |
| **Project outcome:** Enhanced capability of the Government of Georgia to implement its national development agenda through a more effective, professionally trained, unified and independent Public Administration that delivers public services with greater accountability and responsiveness to citizens’ needs.**Outcome indicators: Indicator 1** - The level of professionalism, independence and credibility of the civil service enhanced; **Indicator 2** - Merit-based recruitment and career advancement, improved protection from arbitrary decisions increase job satisfaction and retention rate in civil service. |
| **Project title and Atlas Project Number:** Support to Public Administration reform/ GRF 2/UK, **00089758** |
| **EXPECTED OUTPUTS**  | **OUTPUT INDICATORS** | **DATA SOURCE** | **BASELINE** | TARGETS (by frequency of data collection) | DATA COLLECTION METHODS & RISKS |
| **Value** | **Year** | **2016** | **2017** | **2018** | **2019** | 2020 |
| **Output 1***Policy development and cooperation: AoG senior staff ready to effectively manage (plan and implement) Public Administration Reform as a holistic change management process* | **1.1.** Share of AoG senior staff time dedicated to tracking progress towards PAR strategic objectives rather than to routine tasking  | Baseline, mid-term and final evaluations; ongoing monitoring data | AoG senior staff (Head of Administration, Deputy Head) report dedicating most of their time to managing routine and disjointed tasks, rather than a holistic management of change. Limited number of coordination meetings held with line ministries on PAR | 2016 | AoG leadership can draw on peer advice on change management in "executive dialogue" format. Change Management Readiness Assessment conducted involving senior and mid-level managers, and key challenges diagnosed.  | Change management plan designed with contribution of senior and mid-level managers (change roadmap, change agents overview, change strategies, communication strategies and tools). Implementation starts. | Change Management Plan implemented and feedback from all management levels continuously incorporated in planning. Starting 2018 continuously3/4 of time of senor AoG managers dedicated to strategic matters, including communication regarding PAR. | Change management approach incorporated in PAR strategy design. Senior and midlevel managers report dedicating no more than 50 % of their time to routine management and tasks, and at least 30% of their time to long term planning and horizontal coordination. | 3/4 of time of senor AoG managers dedicated to strategic matters, including communication regarding PAR by 2018 | Methods: Quantitative survey, focus groups, key informant interviews.Risks: identifying appropriate method to measure the indicator |
| **1.2.** External stakeholders'/donors' awareness of the PAR progress; improved incidence and quality of response to donor coordination meetings of the government. | Baseline, mid-term and final evaluations; ongoing monitoring data | To be determined at the outset of the project. | 2016 | External communication strategy on PAR developed and rolled out. Staff trained.  | External communication strategy on PAR developed and rolled out. Staff trained. Thematic Coordination Group (TGC) on PAR regularly used as a forum to assess strategic agenda.PAR lessons learned sessions conducted. Lessons learned report produced.Donor coordination on PAR routinely conducted via AoG. (Piloting 2017) | PAR lessons learned sessions conducted. Lessons learned report produced.Donor coordination on PAR routinely conducted via AoG. (routine 2018- 2019)  | Donor coordination on PAR routinely conducted via AoG. (routine 2018- 2019) | TGC on PAR held regularly by 2017. Development partners progressively align their assistance to PAR priorities.  | Methods: Stakeholder analysis – focus groups, key informant interviews, desk review.Risks: identifying appropriate method to measure the indicator |
| **1.3.**Share of civil servants understanding, supporting and promoting change associated with Civil Service reform | Baseline, mid-term and final evaluations; ongoing monitoring data | Level of support and understanding of change not assessed yet [NATO/GRRC] | 2016 | Representative sample of Civil Servants involved in Change Management Readiness Assessment by 2017. | Civil Servants assert common values and some become agents of change abroad/in other sectors. First results by end 2017, a positive trend is maintained throughout the project lifetime. | Civil Servants assert common values and some become agents of change abroad/in other sectors. First results by end 2017, a positive trend is maintained throughout the project lifetime.Policy Planning and communications units promote CSR/PAR and solicit ongoing feedback. Internal communication strategy implemented by 2018 | Civil Servants assert common values and some become agents of change abroad/in other sectors. First results by end 2017, a positive trend is maintained throughout the project lifetime. | At least 35% of civil servants understanding and supporting PAR by 2017, rate stays stable or grows by 2020  | Methods: Quantitative survey, focus groupsRisks: no risks identified |
| **Output 2***Civil service and Human Resource Management: Professional civil service trained, and can protect itself against malpractice and arbitrary decisions* | **2.1-2.2.** Number of civil servants re-trained; Annual intake of new entrants certified and trained. | Baseline, mid-term and final evaluations; ongoing monitoring data | Training centres in various ministries and as well as academic and private providers offer uncoordinated programs for civil servants. Draft Unified training system for civil servants (Civil Service School) conceptualized but not implemented yet | 2016 | Entry-level Certification program for Civil Servants established. Methodology and training program for the Unified Training System for Civil Servants (Civil Service School) finalized by mid-2017. | Entry-level Certification program for Civil Servants established. Methodology and training program for the Unified Training System for Civil Servants (Civil Service School) finalized by mid-2017.  | Induction and in-service training system formalized. International partnerships established in offering training at the basic civil servant and top level (political) levels Starting mid-2018.Civil Service School Established; first student intake. Specialized training courses by external service providers certified by 2018.  | Standardized induction and in-service training conducted routinely. Ongoing evaluation for monitoring and adjustment of training content and methodology by the end of 2020. | 10 thousand Civil Servants (re)trained by 2020. | Methods: Quantitative survey, key informant interviews, desk review, monitoring data collection.Risks: no risks identified |
| **2.3.** Strengthen a capacity of CSB for better implement civil service reform (CSR), through a range of initiatives, including the establishment and usage of mediation and dispute settlement mechanisms. | Baseline, mid-term and final evaluations; ongoing monitoring data | The capacity of CSB needs to be strengthened to effectively implement CSR initiatives. Mediation and arbitration system for contesting managerial decisions or tasking and performance evaluation non-existent, judicial process is the only course of action | 2016 | # of capacity development needs are identified.  | Mediation and dispute settlement models in various countries and international organisations studied. Appropriate model selected by 2017 and subsidiary legislation drafted by end-2017. | Capacity building activities within CSB are initiated. On-Demand needs are initiated for targeted issues. Mediators sought and trained. Trial run of the mediation arbitration/mechanism in three line ministries by mid-2018. | Additional topics are identified for on-demand needs. Mediation system rolled out across the Civil Service by mid-2019. | CSB expands its ability to perform its functions under PAR and skills are strengthened among capacity -Development activities. Steady rate of increase in using the mechanisms plateauing by 2020.Capacity evaluations of CSB show favourable and significant improvements. Mediation /arbitration system operational by end of project. | Methods: Stakeholder analysis – focus groups, key informant interviews, desk review.Risks: identifying appropriate method to measure the indicator |
| **2.4.** CSB prepared to adapt policies, diversify and deepen reforms, based on systematic analysis of implementation, generated stakeholder feedback and forward planning. | Baseline, mid-term and final evaluations; ongoing monitoring data | Action Plan 2017-18 under development; Law on Civil Service enters into force in 2017. | 2016 | Planning meeting with CSB. Study topic 1 for Policy Lab identified, ToRs agreed and study launched. | Study 1 completed, recommendations presented and action taken. Study 2 for Policy Lab initiated. | Study 2 completed, recommendations presented and action taken. Study 3 for Policy Lab initiated. | Study 3 completed, recommendations presented and action taken.  | Readiness for decision-making ensured for upgrading the civil service recruitment, evaluation and mediation.  | Methods: Stakeholder analysis – focus groups, key informant interviews, desk reviewRisks: identifying appropriate method to measure the indicator |
| **2.5.** Citizens, civil society and academia contribute to PAR reform. | Baseline, mid-term and final evaluations; ongoing monitoring data | Only few academic and civil society organisations have sufficient knowledge to meaningfully contribute to PAR reform. | 2016 | Topics first round of research grants announced/ awarded.  | Research reports published and recommendations discussed in Innovation Lab format | Topics identified and the second round of research grants announced/ awarded | Research reports published and recommendations discussed in Innovation Lab format | At least four institutions have developed expert capacity in particular areas of PAR and meaningfully cooperate with the AoG | Methods: Stakeholder analysis – focus groups, key informant interviews, desk review.Risks: no risks identified |
| **Output 3***Service delivery: Quality services delivered, based on innovative, consistent and replicable methodology, as well as analysis of usage data patterns and consumer feedback* | **3.1.** Proportion of public services delivered based on unified Service Delivery Standard Operating Procedures (SoP) and integrating quality assurance system in place.Citizen satisfaction about quality of public services | Baseline, mid-term and final evaluations; ongoing monitoring data | No unified quality assurance system exists. Various agencies design and deliver services without shared and predictable principles.Level of citizen satisfaction about quality of public services - TBD | 2016 | Existing service delivery practices in Georgia and international best practices researched, baseline established by mid-2017. | Existing service delivery practices in Georgia and international best practices researched, baseline established by mid-2017.  | Quality assurance system for service delivery selected and implemented in 2018.Policy document on Common Principles of Service Design and Delivery (Standard Operating Procedures) drafted, discussed and approved by mid-2018. SOPs published. | Initial training conducted. Module on service delivery principles and quality assurance incorporated into Civil Service Training in 2019 | 95%of services use SOPs and comply to quality assurance systems by 2020Level of citizen satisfaction about quality of public services increased by (?) % - (exact percentage increase to be determined per the baseline information) (2020) | Methods: Quantitative survey, desk review, Key Informant Interviews, Focus groups.Risks: identifying appropriate method to measure the indicator |
| **3.2.** Knowledge- and expertise-management in e-governance improved, expanding sustainability, replicability and continuous improvement of the existing services; Expert staff retention rate; staff motivation rate. | Baseline, mid-term and final evaluations; ongoing monitoring data | Award winning e-governance systems exist, but e technical and methodological documentation often lacking, endangering sustainability, replicability and continuous improvement of e-governance services.  | 2016 | Competency Centre on E-governance established | Competency Centre develops methodological packages and technical documentation. Centre website operational. Staff trained to transfer knowledge. At least two consultancy projects launched. Starting end-2017. National services upgraded from end-2017. | Domestic services maintained according to technical documentation. E-governance centre services made available through international platforms (e.g. UNDP South-South program)  | Domestic services maintained according to technical documentation. E-governance centre services made available through international platforms (e.g. UNDP South-South program)  | E-governance Competency Centre fully operational by 2020, maintains domestic services and transfers expertise abroad | Methods: Quantitative survey, Key Informant Interviews, desk review, focus groupsRisks: no risks identified |
| **3.3.** Usage rate of e-governance platforms (my.gov.ge, governmen.ge, data.ge). Proportion of public services offered through electronic platforms. | Baseline, mid-term and final evaluations; ongoing monitoring data | E-governance platforms underused by citizens, electronic ID system designed to provide access to services is not effectively implemented | 2016 | Baseline study conducted to identify the reasons of the slow uptake in usage, formulate response and develop redress mechanisms by mid-2017. | Communication with public and private service providers to expand services increases recognition and usage. Starting 2017 continuous.  | Legal obligation created to offer any new services also on electronic platforms. Technical specifications incorporated in Service delivery SOP in 2018. | At least 50% increase in citizen usage of my.gov.ge by 2019. | At least 90% of public services offered through my.gov.ge by 2020. Public satisfaction with my.gov.ge platform grows substantially. Routine usage levels of the electronic governance platform stabilized by 2020. | Methods: Quantitative survey, Key Informant Interviews.Risks: identifying appropriate method to measure the indicator |

# Monitoring And Evaluation

In accordance with UNDP’s programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

**Monitoring Plan**

| **Monitoring Activity** | **Purpose** | **Frequency** | **Expected Action** | **Partners** **(if joint)** | **Cost** **(if any)** |
| --- | --- | --- | --- | --- | --- |
| **Track results progress** | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | In the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | Contractor organization(s) contracted for baseline, mid-term and final evaluations | Evaluation study costs (available within the project) |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP’s Social and Environmental Standards. Audits will be conducted in accordance with UNDP’s audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. |  | No (conducted by UNDP and project staff) |
| **Learn**  | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. |  | No (conducted by UNDP and project staff) |
| **Annual Project Quality Assurance** | The quality of the project will be assessed against UNDP’s quality standards to identify project strengths and weaknesses and to inform Project Board / management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | Project Board Members | No (conducted by UNDP and project staff) |
| **Review and Make Course Corrections** | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. |  | No (conducted by UNDP and project staff) |
| **Project Report** | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.  | Quarterly, annually, and at the end of the project (final report) |  |  | No (conducted by UNDP and project staff)  |
| **Project Review (Project Board)** | The project’s governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project’s final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Six monthly | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.  | Project Board Members  | No (conducted by UNDP and project staff)  |

**Evaluation Plan**

| **Evaluation Title** | **Partners (if joint)** | **Related Strategic Plan Output** | **UNDAF/CPD Outcome** | **Planned Completion Date** | **Key Evaluation Stakeholders** | **Cost and Source of Funding ($)** |
| --- | --- | --- | --- | --- | --- | --- |
| Baseline Evaluation | n/a | n/a | By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels**.** | End of 2016 | n/a | 105,921.05  |
| Mid-term Evaluation | n/a | n/a | End of 2018 | n/a | 108,223.68  |
| Final Evaluation | n/a  | n/a | End of 2020 | n/a | 108,223.68 |

# Multi-Year Work Plan [[13]](#footnote-13)[[14]](#footnote-14)

*All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.*

| **EXPECTED OUTPUTS** | **PLANNED ACTIVITIES** | **Planned Budget by Year in USD** | **RESPONSIBLE PARTY** | **PLANNED BUDGET (USD)** |
| --- | --- | --- | --- | --- |
| 2016 | 2017 | 2018 | 2019 | 2020 | Funding Source | Budget Description | Amount |
| **Output 1***AoG senior staff better prepared to effectively manage (plan and implement) Public Administration Reform as a holistic change management process.* | 1.1 Senior AoG/CSB staff receive peer advice (in ‘executive dialogue’ format) in change management |  |  64,473.68  |  55,263.16  |  18,421.05  |  | UNDP/AOG | DFID | 72100 - Contractual Services Companies |  138,157.89  |
| 1.2 Change management plan implemented through expert and methodological support and change readiness feedback incorporated in monitoring and evaluation loop; | 55,263.16 | 151,973.68 | 151,973.68 | 124,342.11 | 73,684.21 | UNDP |  557,236.84  |
| 1.3 Internal and external communication strategy on CSR developed and implemented |
|  | **Sub-Total for Output 1** |  **695,394.74**  |
| **Output 2***Professional civil service recruited and trained to unified standards, and can protect itself against malpractice and arbitrary decisions* | 2.1 Entry level certification program for aspiring civil servants established | 9,210.53 | 46,052.63 | 27,631.58 |  |  | UNDP/CSB | DFID |  |  82,894.74  |
| 2.2 Civil Service School established, basic and generic courses developed, courses by external providers certified and civil servants trained | 120,000.00 | 303,947.37 | 350,000.00 | 211,842.11 | 73,684.21 | UNDP/IEC | 72100 - Contractual Services Companies |  1,059,473.68  |
| 2.3 Civil Service Bureau expands its ability to perform its functions under PAR strategy | 37,763.16 | 188,815.79 | 198,026.32 | 165,789.47 | 110,526.32 | UNDP/CSB | 700,921.05  |
| 2.4 Expanding GoG capacity to analyse, develop and test innovative policy; |  |  119,736.84  |  119,736.84  |  119,736.84  |  119,736.84  | UNDP/GOG |  478,947.37 |
| 2.5 Channelling civil society and citizen contribution into innovative policy |
|  | **Sub-Total for Output 2** |  **2,322,236.84**  |
| **Output 3***Quality services delivered and innovations planned, based on consistent and replicable methodology, citizens’ needs and feedback consistently integrated into service development* | 3.1. Common Standards and Principles of Service Design and Delivery (SoPs) established and implemented, integrating quality assurance systems | 55,631.58 | 113,289.47 | 101,315.79 | 41,447.37 | 13,815.79 | UNDP/PSDA | DFID | 72100 - Contractual Services Companies |  325,500.00 |
| 3.2. Competency Centre on Service Delivery and E-governance oversees quality control at home and conducts twining/experience transfer programs abroad |  32,236.84  |  162,105.26  |  46,052.63  |  |  | UNDP/DEA |  | 240,394.74 |
| 3.3. Citizen feedback integrated into development of online services, their usage increased |  50,657.89  |  234,868.42  |  101,315.79  |  9,210.53  |  | UNDP/DEA |  | 396,052.63 |
|  | **Sub-Total for Output 3** |  **961,947.37** |
| **Monitoring/Evaluation**  | Monitoring and Evaluation  |  105,921.05  |  | 108,223.68  |  |  108,223.68  | UNDP/PCU | DFID | 72100 - Contractual Services Companies |  322,368.42 |
| **Project Management**  | Project Management  | 142,740.79 | 263,740.79 | 259,135.53 | 259,135.53 | 255,757.89 | UNDP/PCU | DFID | 71400 – Contractual Services Individuals |  1,180,510.52  |
| Facilities and Administration  | 48,753.95 | 131,919.74 | 121,493.42 | 75,993.42 | 60,434.21 | UNDP | DFID | 75100 – Facilities and Administration  | 438,594.74  |
| **TOTAL** |  |  |  |  |  |  |  |  |  | **5,921,052.63**  |

Note: The budget is equivalent of GBP 4,500,000 per UNXRATE for Aug-2016: 1 USD =0.76 GBP. USD budget will be altered in the course of project implementation based on the exchange rate of actual instalments received.

# Governance and Management Arrangements

The project will be implemented in accordance with UNDP rules and regulations.

UNDP will organize a Joint Project Board decision-making body providing strategic guidance and oversight for project implementation of all GRF supported activities. The project board will gather representatives of UNDP, the donors and key national partners to inform about project progress, key bottlenecks and challenges encountered, and agree on planned activities and approaches, including and course corrections that may be required. Strategic direction of the project as a whole will be reviewed and, if necessary, modified during the project board meetings. Board meetings will be held regularly in intervals of maximum 12 months or twice a year if deemed necessary.

UNDP assumes overall responsibility for the implementation of the GRF project, and will assign the Joint GRF Project Coordination Unit (PCU) to ensure the overall management and coordination of all proposed activities under this Project and all other GRF implemented initiatives.

The PCU will ensure that activities are implemented in accordance with the project document, budget, and agreed work plans. It will also undertake measures to assure that the activities initiated under the project complement each other and work toward the achievement of the project’s objective. Specifically, the PCU will consist of GRF project Manager, a Public Administration Reform (PAR) Coordinator, a Capacity Development Coordinator, Public Policy Specialist, a Finance/Procurement Associate, a Monitoring and Evaluation (M&E) Specialist and a Communications Specialist. An international Chief Technical Advisor will also be engaged as a part-time consultant to provide substantive guidance to the project team, national stakeholders, UNDP and international partners.

The organigram below gives a view of the major operational positions in the action. Additional support to the project will be provided by UNDP to financial reporting and monitoring, equipment purchase & supply as well as through preparation of public information materials and events.

**PAR Coordinator**

**Capacity Development Coordinator**

**Public Policy Specialist**

**M&E Specialist**

**PR & Communications Specialist**

**Admin Finance/Procurement Associate**

**Driver**

**GRF Project Manager**

**Joint Project Board**

**Senior Beneficiary**

AoG, CSB, PSDA, IEC, DEA

**Executive**

UNDP

**Senior Supplier**

DFID/Sida

**Project Assurance**

UNDP DG through Team Leader

**Part- time Chief Technical Advisor (CTA)**

**GRF Project Organization Structure**

**Public Administration Reform (PAR) Coordinator**: Reporting to the GRF Project Manager, will ensure the quality and timeliness of all activities under policy planning and coordination output. The PAR Coordinator will coordinate relationships with partner agencies, national counterparts and other relevant stakeholders; prepare and submit progress reports and evaluations.

**Capacity Development Coordinator:** He/she will be responsible to support the partner agency: International Education Centre (IEC) in developing a more coherent and sustainable system of civil service training. The Capacity Development Coordinator will identify the relevant experts and provide capacity-building assistance in: 1) Developing and implementing a unified basic and continuous training program for civil servants and 2) Developing the models for senior civil servant and political managers. Moreover, she/he will be responsible to work with CSB on developing mediation and dispute settlement mechanisms.

**Public Policy Specialist:** Will work with key national agencies responsible for service delivery, such as PSDA and DEA, to implement a set of activities to improve predictability and accessibility of innovative services, develop replicable methodologies and quality control systems, while aiming to improve accessibility of these services to the wider strata of citizens.

**Monitoring & Evaluation (M&E) Specialist**: Ensures M&E systems are robust, provide timely and accurate information, and can serve as evidence for advocacy. Supported by CTA, s/he will train staff, partners and beneficiaries in participatory monitoring techniques and processes, ensure monitoring data is being submitted and process data into M&E reports. S/he will also ensure the processes is fully in compliance DFID and UNDP regulations.

**Communications Specialist:** Will ensure the communications strategy is developed, and will support project staff and target groups in their communication-related tasks. Ensure that the materials and statements produced by the project reinforce the goals and objectives developed in the communications strategy.

**Project Admin/Finance Associate:** Responsible for all aspects of admin/finance procurement procedures.

**Part-time Chief Technical Advisor (CTA):** International Advisor, an expert in field of public administration reform, tasked with advising the GRF PCU under the guidance of the UNDP Governance Team Leader concerning the overall coherence and relevance of the assistance provided through the project by regular analysis of the project implementation context. In close coordination with GRF CPU s/he will oversee the methodological consistency of provided international expertise and – in communication with AoG officials - its alignment with the priorities and needs of the national counterparts. CTA will also provide guidance and support to the M&E Specialist in planning and implementing the project monitoring and evaluation mechanism, including through development of the detailed output and outcome indicators. S/he will also suggest strategic and operational adjustments as needed.

UNDP will regularly report on project progress through the review meetings, bilateral meetings with the donor representatives and regular, annual narrative/financial reports.

UNDP CO in Georgia will provide operational support to the project implementation, including in recruitment, procurement and financing. UNDP CO will ensure the project implementation and all processes therein takes place in accordance with the UNDP rules and regulations as stipulated in the Programme and Operations Policies and Procedures (POPP) and are in line with best international standards. As per UNDP’s Financial Regulations and Rules, the following general principles must be given due consideration while executing procurement on behalf of the organization: (1) Best Value for Money, (2) Fairness, Integrity and Transparency and (3) Effective International Competition. The UNDP procurement process must allow Offerors to compete for UNDP business on a fair, equal and transparent basis. Staff associated with the procurement function, therefore are responsible for protecting the integrity of the procurement process and maintaining fairness of UNDP’s treatment of all offerors.

Specifically, third-party suppliers such as consultants and companies (service providers), contracted for technical assistance through open competition, are selected based on the above principles. Prior to the finalizing the partnership, third-party suppliers and implementing partners must undergo a “Harmonized Approach to Cash Transfer (HACT)” assessment and/or an NGO assessment undertaken by an independent company to determine risks related to organizational and financial management capacity. Overall, the UNDP Georgia will to continue to practice due diligence across all procurement processes to ensure compliance with programme assurance procedures.

UNDP Offices will decide to engage with non-governmental organization (NGO) or Civil Society Organization (CSO) as implementing partners or under Direct Implementation Modality (DIM) as Responsible Parties (including Grantees) based on the most appropriate mode of engagement. The selection of an NGO as Implementing Partner (IPs) or Responsible Party (RPs) is based on a capacity assessment and risk management approach. It is based on the premise that the level of institutional capacity and intensity of verification measures (e.g. supporting documentation) should be proportional to the scope of the envisaged engagement. Policies and procedures for NGO implementation assessment, cash transfer, audit, insurance and monitoring are also reflected in HACT.

# Legal Context and Risk Management

**Legal Context Standard Clauses**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Georgia and UNDP, signed on 1-Jul-1994.   All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

The project will be implemented by the Ministry of Agriculture of Georgia (“Implementing partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

**Risk Management Standard Clauses**

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
2. 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;
3. assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
4. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document [and the Project Cooperation Agreement between UNDP and the Implementing Partner][[15]](#footnote-15).
5. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no 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/sc/committees/1267/aq_sanctions_list.shtml>. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
6. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

# ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening**
1. The data available at http://www.govindicators.org [↑](#footnote-ref-1)
2. Georgia: Concluding Statement of an IMF Staff Visit <https://www.imf.org/external/np/ms/2015/030415.htm> [↑](#footnote-ref-2)
3. The data available at <http://www.geostat.ge>. Figures need to be interpreted with caution: real unemployment is estimated by most experts to be significantly higher than 15 per cent, albeit masked by a low propensity of the unemployed to register officially and by classifying individuals in rural areas that own small plots of land as self-employed farmers. [↑](#footnote-ref-3)
4. <http://civil.ge/eng/article.php?id=28948> [↑](#footnote-ref-4)
5. <http://www.rai-see.org/anti-corruption-monitoring/242-support-for-improvement-in-governance-and-management-sigma.html> [↑](#footnote-ref-5)
6. <http://www.mof.ge/en/4618> (available only in Georgian) [↑](#footnote-ref-6)
7. http://vote.myworld2015.org/ [↑](#footnote-ref-7)
8. Government of Georgia. Public Administration Reform (PAR) Roadmap 2015-2020 [↑](#footnote-ref-8)
9. [http://www.freedomhouse.org/report/nations- transit/2013/georgia#.U00ZVPmulXY](http://www.freedomhouse.org/report/nations-%20%20%20transit/2013/georgia#.U00ZVPmulXY); http://www.idfi.ge/?cat=researches&topic=119&lang=en [↑](#footnote-ref-9)
10. CSB operates under a tight deadline to ensure first recruitments into the roster by September 2016. Depending on the progress of the CSBs own planning, as well as the starting date of operations under this proposal, UNDP might consider funding this activity through the core GRF funds. [↑](#footnote-ref-10)
11. UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project. [↑](#footnote-ref-11)
12. Also refers to measurement progress in outcome 2. By 2020 all living in Georgia - including minorities, people with disabilities, vulnerable women, migrants, internally displaced persons and persons in need of international protection – have trust in and improved access to the justice system, which is child-friendly, enforces national strategies and operates in accordance with United Nations human rights standards. [↑](#footnote-ref-12)
13. Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32 [↑](#footnote-ref-13)
14. Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years. [↑](#footnote-ref-14)
15. Use bracketed text only when IP is an NGO/IGO [↑](#footnote-ref-15)