UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT
UNDP GEORGIA

Project Title: Governance Reform Fund (GRF) – Phase IV
Project Number: 00136398
Implementing Partner: Administration of Government of Georgia
Start Date: 01 January 2022   **End Date:** 31 December 2024   **ELPAC Date:** 29 December 2021

Brief Description
The goal of the Governance Reform Fund (GRF) phase IV project is to accelerate structural transformation for sustainable development by enhancing citizen-centric governance systems for efficiently serving their constituencies. The initiative builds on the successes achieved and lessons learned during the previous iterations of the GRF programme and aims at improving the capacities of country authorities in policy planning, as well as the implementation and administration of effective and gender-responsive governance in the context of EU integration and the Sustainable Development Goals (SDGs). The achievement of the GRF's goal will be ensured through two well-tested mechanisms: (1) Capacity Development Fund (CDF) - sub-project initiatives increasingly leading to transformational change in public institutions; and (2) On-demand [Consultancy] Services (ODS) - targeted short-term policy advice. Capacity development will be linked to a broader set of reforms. It will have a multi-faceted focus on individual and organizational skills, supporting the drivers of empowerment, leadership, public participation, and institutional change. GRF will provide critical and immediate capacity development interventions in policy making, management, leadership, and institutional reforms.

<table>
<tr><td rowspan="6">The project contributes to:

UNSDCF 2021-2025 Outcome 1/CPD 2021-2025 Outcome 1: By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making

CPD 2021-2025 Output 1.1) Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all.

UNDP Strategic Plan 2018-2021: Outcome 1. Eradicate poverty in all its forms and dimensions/1.1.1 Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions.

Output: 00127317: GEN2</td>
<td>Total resources required:</td>
<td colspan="2">3,272,101 USD
(including UN Resident Coordination Office (RCO) coordination levy 1%)</td></tr>
<tr><td rowspan="3">Total resources allocated:</td>
<td>UNDP TRAC:</td><td>0 USD</td></tr>
<tr><td rowspan="2">Sida:</td><td>3,272,101 USD*
(equivalent of 28,500,000 SEK per UNORE for 15 Nov 2021 amounting to 8.71)</td></tr>
<tr></tr>
<tr><td>Unfunded:</td><td colspan="2">0 USD</td></tr>
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* USD equivalent will change in the course of project implementation per actual exchange rates of transferred instalments.

UNDP	Implementing Partner
DocuSigned by: _Merford_ —87B6354624D7437— Nick Beresford Resident Representative	M. ᲯᲔ Revaz Javelidze Deputy Head of Government Administration of Georgia
Date: 31-Jan-2022	Date: 31/01/2022

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I.   DEVELOPMENT CHALLENGE

Over the last five years, Georgia has made meaningful strides in building administrative capacities and creating better public polices in a challenging regional and geopolitical environment. Wide-ranging constitutional changes have come into effect to ease the country's transition from a presidential system towards a parliamentary system of governance with increased powers for the legislature and the Cabinet of Ministers. These changes have put considerable strain on the country's administrative system and civil service.

Despite some political fluctuations, the past five years has also been a time of reform, with the safeguarding of Georgia's social, economic, and environmental development consistently being remaining a key governmental priority. In particular, the implementation of public administration and anti-corruption reforms continue to be primary concerns for Georgia as it strives towards the adoption of the EU's values of transparency, inclusiveness, pluralism, and non-discrimination.

Politically, the process of Georgia's approximation with the EU has been central to the country's policy over the covered period. 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 to integrate Georgia into the EU's internal market. Many of these directives concern free trade, albeit their implementation also entails a comprehensive reform program affecting various other governance areas such as economic policymaking, rule of law, democratization, and human rights protection. In 2019, the Government of Georgia (GoG) continued to honour its commitments under the EU-Georgia Association Agreement (AA), with support among Georgians for political association and economic integration with the EU rising to 78% as a result.[1] Furthermore, Georgia prepares itself to officially apply for EU membership by 2024, making 'the dream of our ancestors come true'[2].

Meanwhile, Georgia continues to fulfil EU-Georgia visa liberalization benchmarks, which were adopted on 28 March 2017, permitting Georgians to travel visa-free within the Schengen Area for 90 days at a time. The country is also striving to comply with the Deep and Comprehensive Free Trade Area (DCFTA) agreement, although further efforts are still needed to address irregular migration challenges in response to the increasing number of asylum applications.[3] Georgia has made the progress with respect to the implementation of AA, but there are still some efforts to be made ensuring the judicial institutions are intact. As a result, the implementation of a fourth wave of judicial reforms and, in general, the upholding of the highest standards of ethics and integrity in the judiciary will remain significant.

Georgia's democratic transition received a mixed review according to global rankings, with improvement needed in several areas. Georgia's political development remains generally positive, though certain developments have a potential to hinder democratic reforms. However, based on the World Bank's (WB) "Worldwide Governance Indicators" (WGI) in 2015-2021, Georgia has significantly advanced in the governance indicator "Regulatory Quality". The country's rating score reached an all-time high and increased from 78.85 to 83.65. During this period, Georgia's positions also significantly increased in governance indicator "Government Effectiveness" from 67.31 to 75.48. Herewith, according to the WGI 2021, Georgia's ranking in the area of Political Stability and No Violence indicator in 2020 compared to 2019 Georgia's rank increased from 27.83 to 30.66. Besides, according to the Cato Institute Report - "Human Freedom Index 2021", which presents the state of human freedom in the world based on a broad measure that encompasses personal, civil, and economic freedom Georgia score is 8.20 and takes 40th position among 165 countries. In addition, over the 2015–2021 period in "Personal Freedom" component Georgia's score increased from 7.95 to 8.15.

Since 2016, GoG has made a concerted effort to reduce the number of ministries to lower administrative costs within the state bureaucracy. In October 2018, the country's seventh presidential elections took place, with Salome Zourabichvili elected as Georgia's first female president. Concurrently, the new

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1 Association Implementation Report on Georgia - https://eeas.europa.eu/sites/eeas/files/1_en_document_travail_service_conjoint_part1_v4.pdf
2   Georgia joins Europe Day celebrations
https://agenda.ge/en/news/2021/1223#:~:text=He%20said%20Georgia%20will%20apply,bring%20them%20closer%20to%20Europe'.
3 "European Commission: Georgia Needs to Address Irregular Migration Challenges," Civil.ge, December 2018 - https://civil.ge/archives/271891.

Constitution of Georgia entered into force, triggering the country's official transition to a parliamentary system. In the latter regard, the subsequent 2020 parliamentary elections were vital in shaping the progress of the nation as governmental changes can often interfere with reforms, and the integration of human rights principles, media transparency, gender equality, socioeconomic equality, and environmental protection. Despite constitutional amendments[4] being adopted under a revised electoral reform package in June 2020,[5] putting Georgia on track for the planned introduction of a fully proportional election system in 2024, as foreseen by the Constitution,[6] in the wake of the parliamentary elections in October and November 2020, turned out to be challenging. Despite the fact that, the 2020 parliamentary elections were considered as "competitive and, overall, fundamental freedoms were respected according to the joint statement of preliminary findings and conclusions of the international observers from the OSCE Office for Democratic Institutions and Human Rights and the Parliamentary Assemblies of OSCE, Council of Europe and NATO"[7], it took some time for political parties to reach agreement before a fully representative Parliament had been ensured. The opposition parties boycotted the second round of majoritarian elections. The refusal of opposition groups to enter the Parliament posed threat to the country's democratic development in general.[8] On 19 April 2021, the signing of an EU-mediated proposal by the majority of Georgian political parties put an end to the political tension in Georgia.[9] In the short term, an inclusive political agreement between the majority and the opposition was needed to enable the Parliament to advance the important electoral reform agenda. Nevertheless, tackling the issue of polarization in Georgian politics and media remains a challenge.

Economically, Georgia had been growing steadily from 2015 until 2019,[10] however the outbreak of COVID-19 has significantly hit the economy since then, increasing rates of both poverty and unemployment. Poverty is estimated to have risen by 5.4 percentage points in 2020, while unemployment rose sharply to 20.4% in the fourth quarter of 2020.[11] As a result, the Georgian economy fell into recession in 2020, with Georgia's gross domestic product (GDP) declining by 12.3% year-on-year. In the Ease of Doing Business Index, Georgia ranks 6th out of 190 countries, with its score increasing from 82.04 in 2018 to 83.28 in 2019.[12] Furthermore, Georgia has consistently been listed in the Open Budget Index's top five countries worldwide,[13] and reaching an historic high in the 'regulatory quality and efficiency' indicator in 2017.[14]

A contributing factor to the economic decline has been the collapse of the tourism sector, which contributed 11.6% of Georgia's GDP in 2019. The sector has been severely impacted by global travel restrictions, which saw a 58.6% decline in recorded international visitor trips to Georgia in March 2020[15] compared to the corresponding month of the previous year.

Despite significant improvements being made in recent years, Georgia's public healthcare system remains vulnerable to the COVID-19 pandemic. The country thus needs to find ways to create surge capacity to treat COVID-19 patients while at the same time maintaining essential services. This requires a comprehensive and well-aligned set of policies. The policy response to COVID-19 has had to balance public health priorities with economic and social activities, accommodating short-term measures to mitigate the spread of the virus and its long-term effects.

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4 Constitutional Changes on Electoral Reform - https://civil.ge/archives/357537
5 This package included the regulation of campaigning rights of employees on the public payroll, rules on second rounds, the introduction of a 25% gender quota, the improvement of conflict of interest rules for election commission members and the introduction of a regressive party finance model - https://eeas.europa.eu/sites/eeas/files/2021_association_implementation_report_in_georgia.pdf
6 Association Implementation Report on Georgia -
https://eeas.europa.eu/sites/default/files/2021_association_implementation_report_in_georgia.pdf
7 Association Implementation Report on Georgia -
https://eeas.europa.eu/sites/default/files/2021_association_implementation_report_in_georgia.pdf
8 ARCHIVED: Georgia's October 31, 2020 Parliamentary Election Live Blog - https://civil.ge/archives/363949
9 MEPs feedback on signature of the agreement - https://agenda.ge/en/news/2021/1070
10 According to World Bank Economic growth has been solid - averaging 5 percent per annum between 2005 and 2019, -
https://www.worldbank.org/en/country/georgia/overview#1
11 World Bank - Recent Economic Developments - https://www.worldbank.org/en/country/georgia/overview
12 "Doing Business 2019: Training for Reform," World Bank Group, January 2019 - http://www.doingbusiness.org/en/reports/global-reports/doing-business-2019.
13 "The Open Budget Survey," International Budget Partnership, 2017 - https://www.internationalbudget.org/open-budget-survey.
14 "Country Profile: Georgia." 'Regulatory quality and efficiency' (81.7)
15 World Bank forecast on GDP declination for Georgia in 2020 - https://agenda.ge/en/news/2020/1797

Ultimately, the pandemic has forced GoG to shift its attention from overall systemic public administration reforms to the more focused digitalization of services, increasing the quality and accessibility of education, healthcare, social services, and environmental security, all of which are key components of human well-being.

An increased environmental focus at the national level entails comprehensive government reforms to the environment and energy sectors. Environmental protection has also become one of GoG's priority directions, with the objective being to establish better environmental governance across the country. Pertinently, sustainable development and the prevention of environmental degradation have been identified as overarching goals as well. To promote environmental protection, including addressing climate change, GoG has initiated reforms in almost all key environmental and energy-related directions. Bearing in mind that the livelihoods of many Georgians are dependent upon natural resources, Georgia has taken key steps towards developing a green economy. In 2018, the country committed to elaborating the Green Growth National Strategy as part of its membership of OECD's Green Growth Declaration.[16] Prior to that, in 2017, Georgia had already become a full contracting party to the Energy Community Treaty, which is aimed at bridging energy markets across the whole of Europe.

To demonstrate its commitment to such reform, the Georgian government has devised concrete plans to implement all 17 SDGs and to actively participate in the Open Government Partnership (OGP). As one of the first countries to join the OGP in 2011, Georgia has made significant strides[17] towards enhancing governmental transparency through utilizing open data and improving public participation in decision-making processes.[18] These efforts have helped to advance and streamline the country's adherence to the 2030 Agenda. Georgia's ranking in the SDG Global Index[19] was 73rd compared to 47th place in 2018, with varied progress made towards each of the 17 SDGs. 2019 was a year of uneven progress made in pursuit of SDGs. Throughout 2020, Georgia was consistent in its pursuit of the SDGs, as can be seen by the UN's "Sustainable Development Goals Report",[20] which ranks Georgia 58th globally, with a rank of 71.9% overall in 2020.

As the first parliamentary elections held under the new electoral system have reconfirmed, strong leadership and continued international support remain vital for Georgia to maintain its governance reform trajectory. Changes in the senior political leadership of public institutions can often interfere with the progress of reform, but the integration of human rights principles, media transparency, gender equality, socioeconomic equality, and environmental protection at all levels of decision-making will ultimately contribute to creating the best possible conditions for GoG to honour its national and international commitments, whilst still allowing it to adequately address the most pressing domestic issues. While Georgia assumes chief responsibility for its own political and economic advancement, international support in the form of monetary and capacity-building assistance will continue to play a critical role in ensuring the success of future reforms.

1.1/ PUBLIC ADMINISTRATION REFORM (PAR)

Since the EU-Georgia Association Agreement entered into force in July 2016, continuous internal reforms of public administration have been undertaken in pursuit of Georgia's political association and economic integration with the EU. Significant advances have been made in establishing a regulatory framework and guidelines in policy planning and coordination, which, alongside training provided to civil servants, has laid the groundwork for a comprehensive upgrade of policy-making capabilities in line with the standards of the European administrative space. New legislation and regulations were passed as part of a comprehensive civil service reform (CSR). The resulting changes in human resource management procedures, including hiring, career advancement, dismissal, professional development, remuneration, and performance appraisal have brought Georgia considerably closer to fulfilling its objective of creating a unified,

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16 OECD Green Growth Declaration - https://www.oecd.org/env/44077822.pdf
17 The most recent (2016) Transparency International Corruption Perception Index (CPI) reflects Georgia's progress, ranking Georgia 44th out of 176 countries for public corruption perception—a four place improvement from 2015 CPI rankings - https://www.transparency.org/country/GEO
18 Georgia End of Term Report 2014-2016 – For Public Comment - https://www.opengovpartnership.org/wp-content/uploads/2017/05/Georgia_EOTR_2014-2016_for-public-comment_ENG_0.pdf
19 SDG index - https://www.sdgindex.org/
20 SDG Global Report - https://unstats.un.org/sdgs/report/2020/

professional, merit-based civil service, as foreseen by the PAR Roadmap. Moreover, the span of electronic public service delivery has expanded considerably through the my.gov.ge portal, while face-to-face as well as electronic services have become more accessible too.

Despite gaining international acclaim for its clear and progressive reform trajectory, domestically, Georgia's reform process has been slower and relatively complex. The enactment of adopted legislation regarding democratic and bureaucratic reform has been sometimes deterred by challenging environment. The Law on Public Service[21], a pillar in the PAR Roadmap has incurred numerous delays, however, it finally entered into force in January 2018.

Over the last five years, despite significant challenges, Georgia has made substantial progress in implementing PAR; most of the key building blocks are in place. Notably, the implementation of CSR legislation shifted the focus of PAR toward strengthening governmental policy-making capacity, as policy development and coordination reforms have been comparatively slow. By 2020, there was a noticeable improvement in policy implementation monitoring, reporting, and evaluation system to ensure results-based management and public accessibility has increased. Amendments to the 2016 regulations have seen new policies create a unified e-system for policy planning and coordination. Moreover, significant achievements have been made in the development of an evidence-based policy implementation system which has institutionalized the Regulatory Impact Assessment (RIA) to assess the impact of regulations at all levels, which will be pivotal in the next phase of the PAR Roadmap implementation.

However, the aforementioned achievements have been unsystematic, and challenges still persist. In the fight against corruption, there have been limited advances still needed in improving transparency in anti-corruption policy. As a result, a unified electronic system for electronic policy documents has not yet been developed and the effectiveness of inter-agency coordination has not been enhanced. Moreover, the problems still exist in the mechanisms of disciplinary liability and in the monitoring of the prevention of corruption in the civil service. Institutions still need to be strengthened and putting the Law on Civil Service into practice still requires a unified approach.

The COVID-19 pandemic slowed the progress made on the PAR Roadmap in 2020, as government priorities and efforts were diverted to coping with the pandemic. However, the overall implementation rate of the PAR Roadmap for the 2017-2020 period is still 84%. Importantly, political upheavals causing personnel changes in ministries and public administration led to delays in the adoption of key guidelines while activities designed to limit political influence and establish merit-based career advancement were slated for 2020.

Challenges still remain in creating a more participatory approach with more input from civil society, with some more formal checks and balances put in place. Moreover, capacities still need to be built further in ensuring that decision-making is consistently evidence- and human-rights-based, inclusive, and gender-sensitive.

Since 2012, peaceful transfer of power, various elections and the changing political and economic context have impacted upon the reforms. Coupled with the COVID-19 pandemic and the elections of October-November 2020, the implementation of PAR has become more challenging. The development of a new PAR Roadmap for 2021-2025 along with its action plan is underway. Such events have highlighted the need for continued assistance to the PAR as it effectively responds to challenges arising from the pandemic and beyond.

1.2/ CURRENT CONTEXT

While Georgia has been working towards creating a more business-friendly, just and accessible policy environment, there have been some challenges with the number of government requests for GRF advice nearly doubling from 67 in 2019 to 112 in 2020.

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[21] Law of Georgia on Public Service - https://matsne.gov.ge/en/document/view/3031098?publication=35

The COVID-19 pandemic and subsequent unprecedented measures to protect public health and safety have put a significant strain on the civil service and public administration in Georgia. Initially, the civil service largely transitioned to a remote working mode, which put additional pressure on the planning and delegation of authority, as well as on the application of e-governance tools and teleworking modalities. The impact of this has been most pronounced with respect to public service delivery as most services have had to be provided remotely.

As a result, GRF was approached by a number of government institutions once the first recorded case of COVID-19 was detected in Georgia in March 2020. The assistance provided by the GRF project has supported public institutions in responding to, and later recovering from, the consequences of the virus. Pertinently, the pandemic has highlighted an immediate need to scale-up the Georgian government's capacity to serve its population efficiently, especially as the crisis had worsened.

Despite laudable achievements of the country, the pandemic has negatively impacted upon democratic institutions: stakeholders across the world are struggling to cope with the steady deterioration of the rule of law and diminished access to justice. Indeed, further efforts are needed in Georgia, notably in the field of judicial reform and tackling polarization in Georgian politics and the media.[22]

Therefore, the new phase of the GRF project is envisaged to sustain and build on the ongoing assistance being provided to a variety of public agencies in boosting and strengthening their capacity to enable further rapprochement with European values and principles in public administration. Furthermore, in this transitional period, some attention should be paid to PAR and CSR to ensure the sustainability of the results of the initiatives. The COVID-19 pandemic has further emphasized the relevance of the GRF project as a source of flexible support in targeted priority reform areas. Indeed, these adaptable and responsive mechanisms of partnership have been pivotal throughout 2020. The COVID-19 pandemic has also validated the GRF's approach of attaching value to strategic engagement, collaborative planning, and flexible mechanisms of partnership. These elements will all continue to be relevant for Georgia in the post-COVID-19 period, as will GRF's commitment to safeguarding the national ownership of reforms.

II. STRATEGY

Over the last decade, Georgia has made momentous improvements that have transformed the country into a more representative, free, and accountable democracy. Central to its progress has been a devotion to reshaping the system of public administration, thereby enhancing public trust in government officials and developing state capacity. 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, and to increase the adherence of the public sector, civil society, and other actors to democratic values and human rights.

The goal of the current phase of the GRF project is to accelerate structural transformation for sustainable development by enhancing citizen-centric governance systems for efficiently serving their constituencies.

The project has been designed to contribute to the achievement of the expected UN Sustainable Development Cooperation Framework (UNSDCF) 2021-2025 Outcome: (#1) "By 2025, all people in Georgia enjoy good governance, open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision-making." This overarching goal has been translated into UNDP Country Program Document (CPD) Outcome: (#1) "By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making" and Output: (#1.1) "Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policy-making, map and address inequalities and deliver quality services to all."

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22 Association Implementation Report on Georgia -
https://eeas.europa.eu/sites/default/files/2021_association_implementation_report_in_georgia.pdf

The project is aligned with the priorities of the "Results strategy for Sweden's reform cooperation with Eastern Europe, the Western Balkans and Turkey for the period 2014–2020" and the "Strategy for Sweden's cooperation with United Nations Development Programme (UNDP), 2017-2021," and is expected to result in strengthened democracy, greater respect for human rights, and a more fully developed state, adherent to the rule of law. Through targeted capacity development and support for policy and service delivery reforms, the proposed next stage of the project will directly contribute to the aforementioned planned outcome and output.

Furthermore, GRF's new phase will continue to focus on different dimensions of poverty, including opportunities and choice, human security, power and voice, and resources in line with Sida's Multidimensional Poverty Framework. In addition, the project will direct its efforts toward strengthening the political and institutional context, the environmental context, and the economic and social context in Georgia to create an ecosystem where no-one is left behind.

The capacity development approach points towards strong coordination and cooperation with national institutions and defines the supporting role GRF is to play. There is a need to emphasize capacity development support for the implementation of policies and strategies, which requires improved organizational systems, mechanisms, tools, guidelines, and procedures.

The project will focus on various initiatives that will lead to long-term improvements with regard to public administration, human rights, public service delivery, the economy, energy, rural development, the environment, and decision-making. The GRF project will also continue to prove itself as an effective mechanism in supporting the consolidation of public administration commitments. GRF will maintain a responsive approach by addressing the needs and priorities identified by GoG at institutional/organizational level. Moreover, it will keep pace with rapid political changes and adapt accordingly. Furthermore, GRF's approach addresses short-term and long-term capacity development needs. The project's achievements will benefit not only state agencies, but the corresponding initiatives' results and their impacts will also boost civil society organizations, local communities, the private sector, and the general public.

The project focuses on strengthening capacities with respect to policymaking and coordination, enhancing public sector organization and staffing, and promoting public service delivery in the areas of democratic governance, including environmental governance. GRF remains flexible, rapidly responsive, and a proactive tool to provide timely and appropriate assistance to the Government of Georgia.

Drawing lessons from the previous phases of the project, GRF will concentrate on the promotion of learning, boosting empowerment, building social capital, creating an enabling environment, and establishing a relevant framework for collaboration and integration. The project will support government institutions in the development of high-priority citizen-centric services, making them accessible and affordable to the general public both in urban and rural areas, and providing new opportunities for citizens' participation in decision-making processes. Ultimately, the project mainly addresses legal and policy issues at the national level, the positive effects of which are anticipated to spill over into the local level, benefitting local communities and the rural poor.

Institutional/organizational change is hard to conceptualize for public sector organizations and difficult to apply in a short period of time. Beyond the mapping of steps, guiding the process step-by-step is critical to the success of such change, with internal champions playing a primary role. In its current phase, GRF continues to support more efficient public administration system development with administrative capacity to implement reforms pursuant to EU integration and focuses its efforts on advancing the core capacity of public institutions through organizational, institutional, and human resource development in the priority areas of policy planning and civil service reform, public service delivery, e-governance, government accountability, human rights, rule of law, gender equality, and environmental governance through the following well-tested mechanisms:

- **Capacity Development Fund (CDF):** addresses critical and immediate capacity development needs of public sector agencies. The project will continue to place more emphasis on initiatives with medium- to longer-term implications.

- **On-Demand [Consultancy] Services (ODS):** provides on-demand advisory services and technical expertise to develop the capacity of public agencies with regard to policy formation and implementation.

Both mechanisms are efficient instruments when it comes to boosting capacity in a wider change management exercise. They focus on capacity aspects to support the implementation of a specific change agenda – which can range from large-scale public administration reform or civil service reform, to more specific small-scale sectoral reforms - and ensure that the challenges are properly addressed. In the process, GRF will: (a) facilitate the engagement of relevant stakeholders in an appropriate capacity development initiative, create a common approach, and link the specific change process in a relevant area/theme or sector; (b) ensure systematic identification of capacity assets and priority development needs in different thematic sectors; (c) formulate the actions required to meet the identified capacity development needs and implement the required actions; and (d) assess whether the expected results have been (or are being) reached.

Moreover, the next stage of the project will concentrate on assisting the respective governmental institutions to implement environmental governance reforms posed by international and national obligations in order to create an enabling policy and legal environment to conserve and protect environmental resources and human well-being and achieving the sustainable development of Georgia in a manner that contributes to poverty reduction, environmental sustainability, and climate resilience.

The project will use the previously well-tested approach of cooperating with the state agencies. Priority will be given to sub-projects which are implemented directly by the beneficiary institutions, ensuring greater ownership and sustainability of the initiatives. In some instances, if the given state institution has a lack of implementation capacities, civil society organizations with extensive experience and a good reputation in the respective sector will be selected as implementing partners. However, in special cases, the GRF reserves the right to directly implement the sub-projects developed in close cooperation with the state institution/beneficiary agency.

This approach to sub-project was widely practiced in a previous phase of the GRF project and it guarantees the ownership of deliverables and the whole process and enhances civil servants' project management capacities. GRF will lead the coaching process and take on a M&E role rather than being engaged in micromanagement, evidenced by the assessment conducted in June 2020 during the ongoing phase of the GRF project. It aimed to explore public institutions' perceptions of the types and nature of GRF mechanisms, their advantages and disadvantages, and ways in which their operation could be improved, most partner agencies were in favour of the agencies carrying out implementation themselves. The assessment has proved that the majority beneficiaries would prefer to implement projects themselves as the opportunity to "manage the project leads to getting better practical experience". Furthermore, the implementation process does indeed give employees the chance to gain new skills, something which was widely highlighted by beneficiaries and supported by the quantitative surveys.

The GRF project will remain flexible, so it can align its support to GoG's overarching priorities of European integration, PAR, CSR, and other sectoral reforms. Moreover, GRF will contribute to increasing GoG's compliance with the EU's environmental framework and multilateral environmental agreements. The project will target climate change and energy treaties and will address the enhancement of environmental responsibility among the general public, the business sector, and civil society. To this end, GRF will focus on the sectors and directions having a considerable effect on climate change and will strive to develop public services which have an impact on sustainable consumption and production, and quality improvement.

Within the new phase of the GRF project, which is proposed to be implemented from January 2022 to December 2024, the maximum funding cap for CDF sub-projects will remain at USD 150,000 and their implementation periods will be limited to 18 months, as found most optimal over the years. Moreover, from the annual payments at least 3,000,000 SEK will be applied for the strategic environmental governance and climate change and biodiversity initiatives.

Funds will be pooled so that they are available to support future reforms quickly and flexibly in the form of sub-projects and on-demand consultancy. Within six months of the completion of a sub-project's implementation, UNDP will evaluate the sub-project results and impact, where possible.

As part of this role, UNDP will seek to foster connections and experience-sharing between GoG and external partners, particularly those who have distinguished themselves as successful international innovators. UNDP will also coordinate with AoG to facilitate the prioritization of donor support measures with respect to PAR across line ministries and public agencies.

2.1/ THEORY OF CHANGE

The impact of the GRF project's new phase will contribute to the overall UN Partnership for Sustainable Development priority, which is translated directly into the UNDP Country Programme Document (CPD) and foresees that "by 2025, all people in Georgia enjoy good governance, open, resilient and accountable institutions, the rule of law, equal access to justice, human rights, and increased representation and participation of women in decision-making".

Moreover, at the CPD output level, the project will ensure that "inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all".

Overall, the project intends to accelerate structural transformation for sustainable development by enhancing citizen-centric governance systems for efficiently serving their constituencies through applying the Capacity Development Fund (CDF) and On-demand [Consultancy] Services (ODS) implementation modalities. This process should lead to the high-level outcomes bringing to stronger or new partnerships and better complementarity and coordination:

- Institutional and human capacity of targeted public agencies strengthened to better implement reforms for advancing public administration systems.

- The enabling environment created through advancing policy formulation and regulatory framework to address sectoral challenges in the field of democratic and environmental governance.

In this context, sustainable development encompasses economic, environmental, and social pillars. It describes a state of society where living conditions and resources are used to continue to meet human needs without undermining the integrity and stability of the natural system.

The project aims to enhancement of citizen-centric governance, where citizen centricity is an approach in which citizen participation, through the explicit or implicit expression of their needs by different means, plays an essential role in the design of strategies. It envisages the scenario when governments deliver services based on the needs of the people they serve. The ideal citizen-centric governance scenario might be described as one with freedom of choice to participate in the design, delivery, and review of public services with governments that focus on enabling user initiating and implementing levels. However, realizing this relies on several factors, among all the interactivity and including active citizen participation through discussion, dialogue, and debate, possibly supported by social networks and platforms.

Furthermore, the previous experience demonstrates that a set of comprehensive outputs best achieves high-level outcomes. Therefore, within the new phase, the GRF project will pay special attention to reach the following outputs:

- The solutions ideated with public institutions implemented through targeted interventions.
- Civil servants apply skills and capacities acquired through targeted assistance in their daily operations.
- Partner institutions coached on intervention design, planning, delivery, monitoring, and evaluation.
- Advisory services provided to target institutions for formulating policies and elaborating a regulatory framework.

The new Theory of Change for the GRF project can be framed based on this experience as follows: (a) If GoG has tools for assuming stronger leadership and ownership of the previously adopted changes in public administration, and (b) if the professional independence and delegation of responsibilities to civil service are better guaranteed, and (c) if the public servants benefit from training, framed around the objectives of the line ministries/agencies, then an inclusive, responsive and accountable policy cycle and service delivery will emerge as integrating elements of the entire public administration.

The ability of the project to reach its stated outcomes rests on several key assumptions:

- Political situation remains stable, and the country keeps aspiration towards the EU.
- The legislative, policy, and institutional basis are sufficient to guarantee the independence of the civil service.
- There is sufficient capacity and commitment from public institutions to adopt and operationalize new procedures and practices necessary for the adequate progress of Georgia's reform agenda.
- There is sufficient capacity and support within the beneficiary organizations to allow for effective implementation of the initiatives.
- The pool of international and local experts is available to provide quality support.
- Sida funding is sufficient to ensure the requisite level of donor support for the GRF.

The diagram below better demonstrates the GRF's Theory of Change approach:

Assumptions

Framework Level	Content
UNDP Country Programme Outcome	By 2025, all people in Georgia enjoy improved good governance, more open, resilient, and accountable institutions, the rule of law, equal access to justice, human rights, and increased representation and participation of women in decision-making
UNDP Country Programme Output	Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all
GRF Objective	**Accelerate structural transformation for sustainable development by enhancing citizen-centric governance systems for efficiently serving their constituencies**
Intermediate outcomes	Institutional and human capacity of targeted public agencies strengthened to better implement reforms for advancing public administration systems — The enabling environment created through advancing policy formulation and regulatory framework to address sectoral challenges in the field of democratic and environmental governance
Outputs	The solutions ideated with public institutions implemented through targeted interventions — Civil servants apply skills and capacities acquired through targeted assistance in their daily operations — Partner institutions coached on intervention design, planning, delivery, monitoring and evaluation — Advisory services provided to target institutions for formulating policies and elaborating a regulatory framework
Activities	Capacity Development Fund — On-Demand Consultancy Service (ODS) — Democratic Governance — Environmental Governance

Assumptions (right column):

Political situation remains stable, and the country keeps aspiration towards EU.

✓ *There is sufficient capacity and commitment from public institutions to the adoption and operationalization of new procedures and practices necessary for the effective progress of Georgia's reform agenda.*

✓ *The legislative, policy and institutional basis are sufficient to guarantee the independence of the civil service.*

✓ *There is sufficient capacity and support within the beneficiary organizations to allow for effective implementation of the initiatives.*

✓ *The pool of international and local experts is available to provide quality support.*

Sida funding is sufficient to ensure the requisite level of donor support for GRF.

2.2/ LESSONS LEARNED DURING THE PREVIOUS PHASES

The lessons learned have been generated from a review of the project documents, consultations with implementing partners, and analysis of the information collected within the evaluation of the completed initiatives of the 2015-2021 project phase. Moreover, it incorporates the points identified during the external evaluation conducted by the donor organization through the assistance of "Tana Copenhagen" company:

- Flexibility is critical in a project of such a strategic nature.
- Civil servants' satisfaction and desire to keep enhancing their capacities is crucial to ensuring the long-term sustainability and ownership of implemented projects. Increasing their responsibilities and participation in defining priorities is a sure way of fostering their enthusiasm and interest; UNDP's involvement in public sector reforms brings them increased credibility.
- National ownership and continuous commitment by high-level management in the beneficiary agencies are essential to the impact and sustainability of individual interventions. Ownership and commitment are best fostered through national counterparts taking greater responsibility in identifying institutional needs and designing, developing, and implementing interventions.
- Embracing diverse perspectives at all levels of public service delivery is critical to ensure that interventions are relevant and targeted. Moreover, increasing the level of bottom-up participation and engaging vulnerable groups in the co-creation process creates open dialogue and enhances the transparency and accountability of the Government's decision-making processes.
- It takes a long time for governance reforms to yield results, mainly because development is about time-inelastic behavioural change. Therefore, outcome-level results recorded during the implementation period can be misleading as fuller evidence of outcomes typically comes years after an initiative's completion.

2.3/ GRF AND POVERTY

Since reducing poverty and inequalities are fundamental to achieving SDGs, these notions will become integral parts of every stage of the upcoming project. At the strategic level, the project aims at integrating poverty, environmental, gender, and climate change objectives in the overarching policies, guidelines, and frameworks and their associated implementation mechanisms. The project will pay special attention to these cross-cutting issues and will ensure their mainstreaming in its operations.
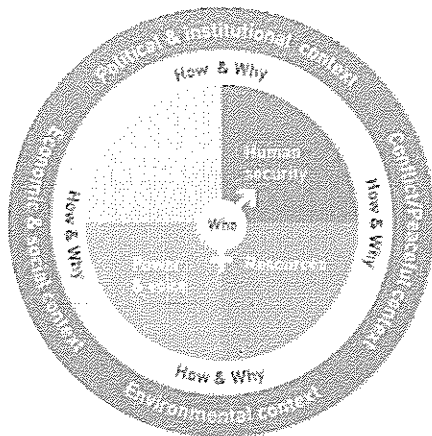
GRF will continue to focus on different dimensions of poverty, including opportunities and choice, human security; power and voice; and resources. In addition, the project will direct its efforts toward strengthening the political and institutional context, the environmental context, and the economic and social context to create an ecosystem where no one is left behind.

At the technical level, the initiative selection criteria (described above) mainstream the responses to the question "who is poor" in light of multidimensionality of poverty through including the "Gender Equality and Social Inclusion" and "Regional Coverage" as obligatory marking at the appraisal stage.

In addition, the GRF team will analyse the project's contribution per Sida Multidimensional Poverty Framework on an annual basis, and the results will be integrated into the Annual Report. The latter will provide the overview of the outputs/outcomes of CDF and ODS interventions in line with Economic and Social Context, Environmental Context, Conflict/Peaceful Context, Political and Institutional Context along with the inner circle of the framework: Opportunities and Choice, Human Security, Resources, Power and Voice.

2.4/ INTEGRATION OF HUMAN-RIGHTS APPROACH

In the framework of the proposed project, GRF will integrate Human-Rights Based Approach (HRBA) as a cross-cutting theme to its interventions by drawing attention to the accountability to respect, protect, promote and fulfil the human rights of all people. Increased focus on accountability will hold the key to improved effectiveness and transparency of initiatives. Another important value provided by the application of the HRBA will be the focus on the most vulnerable, marginalized, and excluded in society as their human rights are most widely denied or left unfulfilled (whether in the social, economic, political, civil, or cultural spheres and often, a combination of these) through the establishment of citizen-centric governance systems. HRBA will generally lead to better analysed and more focused strategic interventions by providing the normative foundation for tackling democratic governance issues, including those related with the environmental governance. Those good governance dimensions shall enable the GRF project to align the HRBA principles with consistent analysis of interventions through these lenses.

Furthermore, the GRF team will capitalize on the strengths of EU supported and UNDP implemented Human Rights project to seek guidance, advice, and synergy during the next phases.

2.5/ GENDER EQUALITY AND WOMEN'S EMPOWERMENT

Georgia has made some significant strides forward in creating an enabling environment for gender equality in the past five years. The recognition of equal rights for all is a cornerstone of the Constitution, and dedicated legislation has been put in place to promote non-discrimination and women's rights accordingly. Over the past five years, Georgia's ranking in the World Economic Forum's Global Gender Gap Index (WEF GGGI) has fluctuated. In 2020, Georgia ranked 74th out of 153 countries, compared to 94th in 2017 and 90th in 2016.

The Georgian government has shown its commitment to increasing gender equality. For example, the Gender Equality Advisory Council was established under the Prime Minister's Office in 2016. Moreover, the Inter-ministerial Commission on gender was created "to update and reform the legal system, to address the practice of early marriage, and to combat violence against women through awareness raising campaigns."

The Parliament of Georgia adopted the Law on the Elimination of All Forms of Discrimination in 2014, while in 2015, it endorsed the global Sustainable Development Goals (SDGs) of the 2030 Agenda and nationalized the 17 SDGs in November 2019. The Parliament of Georgia passed amendments to the labour legislation in Georgia on 29 September 2020 envisaging prohibition of discrimination on the grounds of health condition, expanded protections for employees, pregnant women, and mothers, and bolstered support for the professional development of women.

The COVID-19 pandemic has heightened barriers to building inclusive and prosperous economies and societies. Pre-existing gender gaps have been amplified, even though many women have been at the frontline of managing the crisis as essential workers. The sectors most affected by the lockdowns and rapid digitalization have been those where women are more frequently employed. Gender-sensitive recovery strategies will be critical in making up ground lost during 2020 to prevent long-term regression in the labour market. Therefore, GRF will support GoG to build a more resilient and gender-equal economy by investing in inclusive workplaces, advancing women's presence in leadership positions, applying a gender lens to reskilling and redeployment, and embedding gender parity into future employment policy.

The gap in data collection and management is another major constraint that makes it difficult for public institutions to implement an adequate evidence-based policy-making cycle, in a way that would address the root causes of inequalities and identifies risks that require proactive mitigation. State agencies need more consistency in relation to data collection and production of reliable figures segregated by gender and disability status.

Within the framework of GRF, UNDP will engage with national counterparts to ensure that gender mainstreaming is observed in the design and implementation of interventions (i.e. impacts on gender equality are analysed in the design phase, gender equality is maintained in implementation, and gender-disaggregated data are collected, where possible, for monitoring and evaluation purposes). Capacity-

building measures have a long-term effect on representation and power relations in institutions, and 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 that they equally benefit from the results. Moreover, fair representation will be sought in different consultative processes, and female experts will be recruited whenever possible.

In addition, the GRF team will utilize the knowledge and experience of the Government of Sweden-supported and UNDP implemented Gender project to explore potential avenues for synergies, collaboration and expertise during the implementation phase.

2.6/ ENVIRONMENT AND CLIMATE CHANGE

Within the new phase, the GRF project will continue advancing good environmental governance in the country. This includes, among others, the development of effective environmental policy and regulatory framework in compliance with the EU acquis, provisions of multilateral environmental agreements, and the Sustainable Development Goals (SDGs). The project focuses on the transposition of the EU environmental standards into environmental management and capacitating the staff of the state institutions for efficiently implementing and enforcing the new regulations and the European approaches.

With accelerating and worsening natural and man-made disasters, far-reaching environmental reforms should be identified and implemented. This includes policies for effective natural resource management, environmental education, sustainable energy development, and conservation. Therefore, GRF will support the relevant state institutions to develop sound and popularly accepted environmental policies and practices. The project will advance the environmental policies that create resilient, inclusive, and sustainable solutions. Therefore, the project team will be focused on selecting and implementing the initiatives that are entirely aligned with the strategic environmental directions defined by the EU Association Agenda, SDGs, the National Environmental Action Programme, the Climate Action Plan, and the Nationally Determined Contribution (NDC) to meet the sector reform goals and create the sustainable and climate-friendly environment.

III.   RESULTS AND PARTNERSHIPS

3.1/ EXPECTED RESULTS

The impact of the GRF project's new phase will contribute to the overall UN Partnership for Sustainable Development priority, which is translated directly into the UNDP Country Programme Document (CPD) and foresees that "by 2025, all people in Georgia enjoy good governance, open, resilient and accountable institutions, the rule of law, equal access to justice, human rights, and increased representation and participation of women in decision-making".

Moreover, at the CPD output level, the project will ensure that "inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all".

On project level, GRF aims to accelerate structural transformation for sustainable development by enhancing citizen-centric governance systems for efficiently serving their constituencies. It will strive to achieve mentioned goal through delivering two outputs:

Output 1: Institutional and human capacity of targeted public agencies strengthened to better implement reforms for advancing public administration systems.

Output 2: The enabling environment created through advancing policy formulation and regulatory framework to address sectoral challenges in the field of democratic and environmental governance.

Both outputs will engage implementation of initiatives through CDF and ODS mechanisms. The process of idea collection, selection, planning, implementation, and evaluation is described in detail in the next section.

FROM IDEA TO IMPACT: STEP-BY-STEP APPROACH

GRF introduces the rapid mechanisms of CDF directly implemented by the government institutions, legal entities of public law (LEPLs), non-governmental organizations (NGOs), or UNDP Georgia, and ODS carried out by UNDP Georgia itself. Both mechanisms provide expertise, having received and reviewed requests for capacity-strengthening support from state institutions and deploying experts in the requested areas as quickly as possible. The project cooperates intensively with government agencies to identify their capacity development needs and gaps that impede the efficient implementation of good governance principles and prevent the smooth implementation of sectoral reforms in Georgia.

The selection of precise ideas is the most crucial part of the whole chain of initiatives' implementation. GRF proposes an effective business process that consists of six step-by-step approaches from idea to impact:

Step (1) Idea Generation: Twice a year, the GRF team conducts a gap analysis/needs identification process in close cooperation with state institutions. The project uses both online surveys and bilateral meetings with key stakeholders to maximize its results and identify state agencies' most pressing commitments. Thereafter, GRF collects identified needs and filters based on the following substantive and technical requirements.
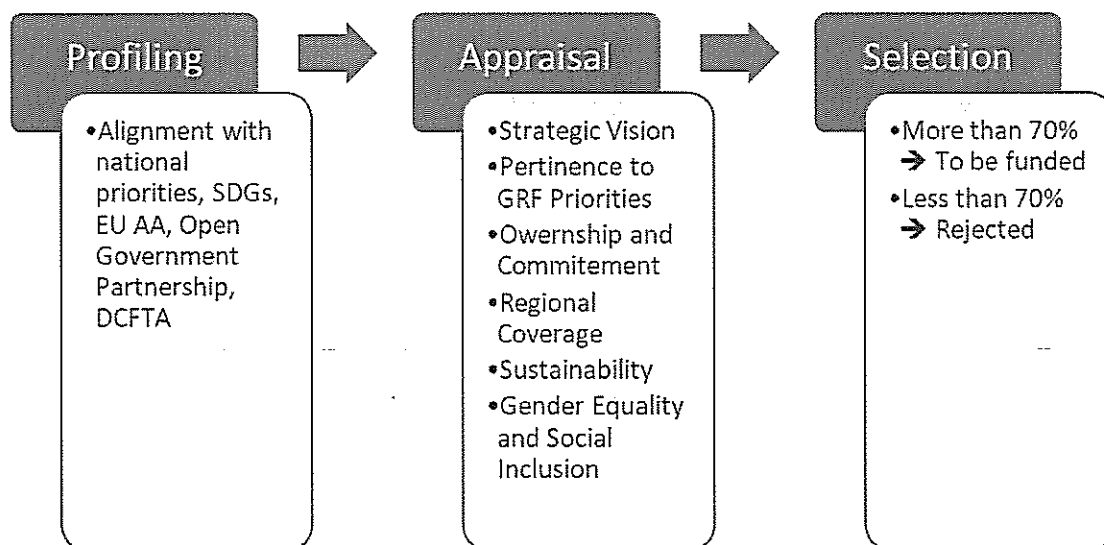
The first screening criteria is alignment with national priorities. More specifically, it envisages assessment of its compatibility with national strategic and sector priorities, Sustainable Development Goals, Open Government Partnership, EU Association Agreement or DCFTA, hence overall supporting national development agenda.

Once the idea passes the first screening questions, the second filter is applied, involving the assessment of strategic vision, pertinence to GRF priorities, sustainability, ownership level of the agency, the level of gender/social inclusion and existence of spill-over effect on local level. Each criterion is assessed on a 4-scale, where 1-Nonexistent, 2-Low, 3- Average, 4- High.

Once feasibility has been determined, the idea is selected based on the final score. The detailed scoring analysis is presented below.

Stage	Criteria	Score	Remark
Profiling	**Alignment with National Priorities** - the degree of alignment with national priorities. It envisages assessment of its compatibility with national strategic and sector priorities, Sustainable Development Goals, Open Government Partnership, EU Association Agreement or DCFTA, hence overall supporting national development agenda.	*1-4*	*If scored 1 or 2* → *Rejected* *If scored 3 or 4* → *second filter applied*
Appraisal	***Strategic Vision*** *- the degree to which the initiative is strategically relevant to good governance reform and supports the long-term capacity development of the government.*	*1-4*	
	Pertinence to GRF Priorities - the degree of alignment to GRF priority areas including public administration reform, public service delivery, government accountability, human rights, rule	*1-4*	

Stage	Criteria	Score	Remark
	of law, gender equality, or environmental protection.		
	Ownership and Commitment - the commitment level of beneficiary agency for the initiative, and the degree the agency has demonstrated ownership by devoting human resources to the implementation process.	*1-4*	
	Regional Coverage - the extent the initiative has spill-over effect on local level	*1-4*	
	Sustainability - The degree extent to which the results of the initiative will be sustained after the project completion. It envisages the technical and management capacity of the implementing agency to ensure the existence of enough resources (required budgetary support) to continue generating the flow of outputs and outcomes from the programs and projects.	*1-4*	
	Gender Equality and Social Inclusion - The degree of mainstreaming gender equality and social inclusion into initiative implementation by considering the relevant perspectives in planned actions at all levels, including legislation, public services, or other programs.	*1-4*	
Selection	Selecting the project based on final ranking. The final score is share of all criteria divided by total maximum score.	*More than 70% → To be funded* *Less than 70% → Rejected*	

Profiling
- Alignment with national priorities, SDGs, EU AA, Open Government Partnership, DCFTA

Appraisal
- Strategic Vision
- Pertinence to GRF Priorities
- Owernship and Commitement
- Regional Coverage
- Sustainability
- Gender Equality and Social Inclusion

Selection
- More than 70% → To be funded
- Less than 70% → Rejected

As a next step, in-depth capacity assessments of the agencies are performed to ensure successful implementation of the initiatives and the sustainability of their results.

UNDP's systematic work in capacity diagnostics reveals gaps affecting organizational and wider change. GRF's work under the aegis of capacity development has taken on the following cycle: assess capacity to

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diagnose assets and capacity needs; suggest strategies to meet those needs; cost and implement those strategies; and demonstrate impact through measuring change in capacity.

The final stage of the first step is to share the given evidence-based request to then obtain approval and suggest ways of implementing the initiative (i.e. CDF or ODS) and initiate official cooperation procedures. However, the given public institution can directly address GRF without any preliminary research to request assistance from the project.

Step (2) Idea Approval: Within a week of obtaining approvals from the UNDP's management GRF requests an official letter from the head of the state institution with the description of the requested assistance and expected outcomes. UNDP's senior management responds officially, committing technical and financial assistance to implement the initiative.

Step (3) Informed Consent from Donor: within a week after selecting, scoring and approving the suggested idea, the GRF project shares the brief description of the request with the donor along with the official letter from the state institutions and thus keeps informed about the planned activities.

Step (4) Idea Packaging: The CDF modality targets initiatives that incorporate different types of several activities and requires a certain period to develop the respective sub-project document. The proposal template is shared with the relevant agency/NGO in advance. Within two months from the official communication, the GRF team works intensively with the target counterpart (either an LEPL or both an LEPL and NGO) to elaborate the capacity development response proposals by precisely following the document's steps and chapters. As soon as the implementing partner finalizes the project documents, GRF agrees it with UNDP's senior management. If the implementing partner is an NGO proposed by the state agency itself, according to UNDP's internal procedures, the GRF team needs to obtain approval from the donor organization. At the same time, the project conducts an institutional assessment (Harmonized Approach to Cash Transfers (HACT) Assessment) of the agency/NGO if it is the first case of its cooperation with UNDP to ensure that the entity has the capacity to implement the initiative effectively. If the independent auditor's report is unfavourable or the state agency has demonstrated inadequate performance, then a civil society organization (CSO) is involved in the initiative's implementation process as a service delivery unit. An NGO's involvement in the CDF's operational stage is even more beneficial for both sides as, on the one hand, the state agency will address its capacity development needs and, on the other hand, this modality enhances the cooperation mechanism between the Government and civil society, delivers fresh views on targeted issues, improves the environment and empowers CSOs, which is a crucial component of any democratic system. After successful evaluation, a Letter of Agreement (LoA) with the public institution or a Responsible Party Agreement (RPA) with the NGO is developed. Furthermore, the partner state agency is obliged to obtain official approval from GoG by issuing a decree signed by the Prime Minister if the overall budget of the initiative exceeds GEL 100,000. After gaining the Government's approval, LoA is signed by UNDP and the implementing partner agency. However, RPA is signed by UNDP and NGO directly after obtaining approval from UNDP's senior management, the donor organization, and the beneficiary state institution.

Within the ODS modality, GRF cooperates directly with public institutions, following a specific assessment of the existing gap between needs and capacity, with a clear articulation of the types of skills/knowledge/system that the beneficiary should possess at the end of the whole process. The ODS modality supports a specific targeted area (such as internal capacity development, functional or institutional capacity strengthening, or policy formation) and is implemented by UNDP Georgia: the project works directly with the targeted counterparts to design the scope of the consultancy work and, within a month, hires relevant international and/or national experts through open or direct recruitment processes.

Step (5) Quality Check: After signing LoA or RPA, GRF carries out quality assurance measures and regular coaching with partners and consultants. To this end, at the initial stage of the initiative's implementation, monitoring and evaluation matrixes and risk logs are developed to ensure delivery of results according to expectations. Where any deviation is noted, an adjustment should be made to commitments, strategies, and plans. GRF requests reporting on the initiatives on a quarterly basis as per the established reporting template to monitor the indicators and the impact measured through the data collection. The GRF team is

responsible for overseeing the initiative with a direct communication and reporting line with the implementing partner agency to ensure timely implementation of the sub-project activities within agreed financial arrangements, timelines, and quality standards. However, daily decision-making on the sub-project's implementation will remain with the implementing partner or the beneficiary state agency to increase their involvement in the processes, to strengthen their project management capacities, and to ensure their ownership of the deliverables.

Step (6) Evaluation: Within six months of the completion of the initiative, GRF evaluates the implemented sub-projects and on-demand consultancies to capture their impact as well as any lessons learned to generate learning and feed into further programs.
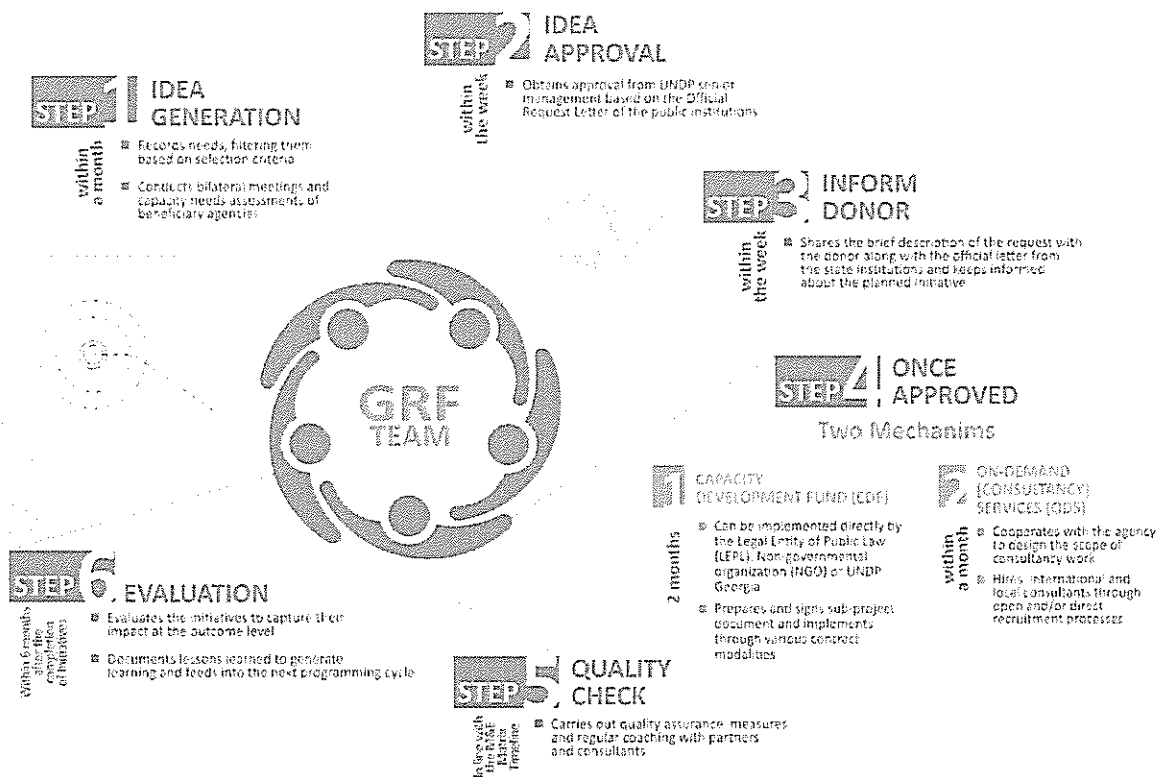
3.2/ RISKS AND ASSUMPTIONS

The table below stipulates the assessed Risks and mitigating circumstances for each of these risks. 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:

#	Type of the Risk	Risk	Impact[23]	Likelihood[24]	Risk level	Mitigating action
1	Political	Deterioration of the political/economic stability and the external environment	5	3	Moderate	Such changes usually paralyze normal functioning of key public institutions and make them put aside long-term priorities/plans to focus more on ad hoc issues addressing immediate needs. Such risk is beyond control of GRF.
2	Political	Change of political priorities by a new government	5	3	High	A new government could potentially alter the direction of specific reform efforts, which could imperil the implementation and/or sustainability of individual sub-projects
3	Political	Personnel changes in partner agency leadership, leading to a shift in priorities and/or delays in implementation	4	4	High	Staff turnover in Georgian public service has been high, and public service is regulated by ineffective legislation, rendering the system unstable. Additionally, staff turnover is at times linked to changes of the general management of the agency. Therefore, any initiative aimed at contributing to human resources development is highly susceptible to the above process. This risk has traditionally been mitigated through discussion on institutional continuity with the general management of the agency at the proposal elaboration/initiation stage. In addition, emphasis has also been placed on activities typically considered to minimize risk, such as training of trainers (ToT), development of training modules/manuals, development of policy guidelines etc.
4	Political	Decreasing levels of public financing for reform	4	3	Moderate	Given the macroeconomic difficulties in the region, there is a clear and present danger that financing levels in the public sector may have to be

[23] Impact - 1=Limited; 2= Low; 3=Moderate; 4= High; 5= Extreme

[24] Likelihood - 1=Not likely; 2=Low Likelihood; 3 = Moderately Likely; 4= Highly likely; 5: Expected

#	Type of the Risk	Risk	Impact[23]	Likelihood[24]	Risk level	Mitigating action
						reduced to absorb economic shocks. In turn, this would impact projects that depend on government or non-project funding to remain sustainable and relevant. To mitigate this risk, UNDP will take steps to plan projects to be well-capsulated and to do not strongly rely on continued funding to have an impact.
5	Operational	Lack of ownership and commitment from the national partners undermines project delivery	4	2	Moderate	At times, there is insufficient consideration given by agencies to the policy advice provided by experts, and thus limited follow-up actions are taken. This risk can be linked primarily to a lack of ownership of the process. The design of the GRF seeks to diminish this risk as it implies not only national ownership but also the support of national leadership during the consultancy assignments. GRF will, in its new phase, transition toward an approach that emphasizes incremental ownership of the beneficiary agency over design, development, implementation, and sustainability measures of sub-projects. If insufficient consideration relates to other (policy or visionary) reasons, UNDP may apply all reasonable efforts to advocate the results through established partnership channels (meetings with senior management, focal points at partner agencies.
6	Financial	Continued spread of COVID-19 slows down project implementation.	3	4	Substantial	The project team will be actively working to adapt its intervention modalities to the existing restrictions by increasingly applying digital tools and co-working platforms jointly with its Government and CSO partners while planning and implementing trainings, workshops and engaging local and international experts.
7	Political	The restrictions and response measures associated with further spread of the COVID-19 in Georgia shifts the resources and attention of	3	4	Moderate	The project team will maintain its regular communication with the operational level staff from public institutions to anticipate potential delays and to respond flexibly.

#	Type of the Risk	Risk	Impact[23]	Likelihood[24]	Risk Level	Mitigating action
		the public institutions to the surge response measures away from the governance reforms, thus resulting in reshuffled priorities				
8	Operational	Reluctance to enforce sustainability plans for sub-project products	3	1	Moderate	This is usually linked to lack of ownership of the initiative and undermines potential impact of project results. GRF has largely ensured sustainability of project results after acknowledging the lack of sustainability as one of the persistent risks in the early stages of project implementation. In particular, ability to demonstrate mechanisms of sustainability of results/impact has become one of the GRF selection criteria. Thus, measures (exit strategy, enforcement plan, etc.) to mitigate a given risk are usually thought through and discussed with partner agencies at the proposal development stage and made part of the sub-project document. In order to further minimize this risk, GRF seeks to strengthen national ownership over all phases of the intervention cycle, as detailed above. Longer project durations will also help embed sub-projects and their results more firmly within the agencies.
9	Operational	Irrelevance of the advice provided by an expert to national needs	4	1	Moderate	UNDP will apply all reasonable efforts to minimize this risk through detailed elaboration of the assignment's Terms of Reference, scrupulous selection of experts, and provision of the most up-to-date reference and analytical materials to invited experts.

#	Type of the Risk	Risk	Impact[23]	Likelihood[24]	Risk Level	Mitigating action
10	Political	Parliamentary elections	3	4	Moderate	The project duration will span electoral periods, most notably the parliamentary elections in 2024 that will bind government resources and may lead to a change in government, with potential cascading effects on ministries, public agencies and their management staff. In order to minimize the negative impact of such developments, UNDP will take preventative steps in cooperation with the beneficiary agencies to ensure sustained commitment by a new leadership and smooth implementation processes.

3.3/ STAKEHOLDER ENGAGEMENT AND PARTNERSHIP

The external evaluation of the GRF project conducted by the "Tana Copenhagen" as well as the internal feedback from the partners revealed that the stakeholder engagement and coordination efforts are good practices and, therefore, will be carried over during the next phase of the project.

To implement the steps described in the previous chapter and achieve intended outputs/outcomes, impact, GRF will closely work with partner public institutions and civil society organizations to enhance citizen-centric governance, where a citizen centricity is an approach in which citizen participation, through the explicit or implicit expression of their needs by different means, plays an essential role in the design of strategies. However, realizing this relies on several factors: interactivity with other partner organizations and fostering dialogue, collaboration, and synergy.

The achievement of Theory of Change and the results indicated at the beginning of this section also depends on cooperation and collaboration with partner public and non-public institutions. It assumes that they are willing and committed to ally with GRF and jointly contribute to the effective introduction/advancement of governance reforms (both democratic and environmental).

GRF intends to create an environment for multi-stakeholder collaboration, strengthen partnerships with key actors and implementing partners, stimulate experience sharing while at the same time expanding the capabilities of applying gender lens and giving impetus to the cooperation patterns where gender and inclusivity aspects are supported.

AoG (with its Strategic Planning and Coordination Unite and the Donor Coordination Unit (DCU)) will serve as the project's Implementing Partner to ensure the overall coordination of the processes and at the same time identify the most critical needs, gaps and challenges that should be addressed by GRF in good governance direction, including the environmental one. However, at the implementation level, the project will cooperate with the key state institution, such as the Parliament of Georgia, Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, Ministry of Education and Science, Ministry of Environmental Protection and Agriculture, Ministry of Economy and Sustainable Development, LEPL National Statistics Office of Georgia (Geostat), LEPL Civil Service Bureau of Georgia, LEPL National Center for Disease Control and Public Health, LEPL National Environmental Agency, LEPL Social Service Agency, and other central and local level public agencies. Furthermore, in some instances, the project will encourage engagement of the civil society organizations with extensive experience and a good reputation in the respective sector as well as the think tanks.

GRF will conduct the project board meetings on an annual basis with the participation of AoG, donor representatives, and beneficiary state institutions and CSOs to take stock of the ongoing work and evaluate progress towards the set objectives. During the previous phase of the GRF project, a close partnership has been built with other development partners (such as EU, UKAID, GIZ, USAID) and was engaged in the coordination meetings to update information about its activities. The project will continue engagement in the PAR Donor Coordination meetings organized by donor organizations on a rotation basis averagely once in two months, which supports both policy level communication/intervention and guarantees the complementarity of initiatives.

3.4/ SOUTH-SOUTH AND TRIANGULAR COOPERATION (SSC/TRC)

The proposed GRF project will build on South-South as well as Triangular Cooperation in its initiatives. To this end, the project will continue to facilitate South-South cooperation by exchanging experience gained during the implementation of the previous phases of the GRF project with the development needs existing in other, mainly developing countries. GRF will offer knowledge products (costing, methodology, competencies, etc.) and provide tailored assistance to interested countries implementing similar initiatives as part of this exercise. Additionally, during the project's implementation phase, the project will further consider relevant SSC/TrC opportunities based on the needs of the counterparts.

3.5/ KNOWLEDGE

As in the previous phase, the project is planning to produce numerous knowledge products aimed at consolidating the existing knowledge in various areas of public administration that will tackle the good governance and good environmental governance directions.

Most of the materials will be methodological and support policy by standardizing procedures that are already foreseen by legislation/regulation and are being institutionalized either overall in civil service or in specific agencies. As such, these can be used in inter-agency or cross-border cooperation efforts to facilitate the cross-fertilization of experience.

Additionally, specific elements of the project are aimed at instilling the "learning organization" ethos in Georgia's state institutions by encouraging more systematic collection of data (for subsequent use in evidence-based policymaking), as well as re-assessment of the existing outputs (reports, data analysis, results of evaluations) within the government agencies with the view of making this information available for learning – in terms of planning, improved management, etc.

3.6/ SUSTAINABILITY AND SCALING UP

The sustainability of the project is a prerequisite to developing good governance practices and building a professional civil service. In other words, GRF will continue to work hand-in-hand with the Government in building the national capacity of state institutions to better manage public administration-related challenges.

Through a demand-driven, result-oriented, and on-the-job knowledge and skills transfer approach, the project will lay the foundation for sustainable results. GRF will respond to the needs and priorities identified by public institutions at the individual and organizational/institutional levels. Moreover, the project will create an environment that fosters sustainability, incorporating ownership, transparency, and accountability principles.

The sustainability of initiatives and the results will continue to be of the highest priority for UNDP in the proposed next phase of the GRF project as this criteria is one of the key determinants for selecting initiatives for both CDF and ODS modalities. Moreover, the sustainability of the deliverables will be considered during the Project Board Meetings while presenting the project achievements. Pertinently, the experience and lessons learned from previous interventions as well as UNDP good practices, in general, will feed into the sustainability strategy of the project's next phase. The approach effectively practiced by the GRF project from its very beginning has been to implement and maintain effective initiatives and systems that are continually responsive to stakeholders' needs. This has been accomplished by examining factors that can increase the sustainability of interventions and their results if addressed diligently through strategic planning.

Key risks that may jeopardize the sustainability of the next phase are as follows:

- Elections (municipal and parliamentary) could delay or even prevent implementation, and/or lead to personnel changes in partner agency leadership and subsequent priority changes.
- Lack of ownership and commitment from the national partners.
- Frequent changes in the senior management of implementing or beneficiary partner state institutions.
- Changes in the priority directions of GoG.
- Continued spread of COVID-19 and extension of corresponding restrictions; and
- Changes in the senior political leadership.

However, the GRF team will instil a high degree of ownership among the beneficiary agencies regarding the design, development, implementation, and sustainability of respective initiatives. By concentrating

support on GoG's priority areas, continuing to provide demand-driven assistance, and implementing principles of ownership and cooperation, potential risks would be reduced.

IV.   PROJECT MANAGEMENT

4.1/ COST EFFICIENCY AND EFFECTIVENESS

The GRF project will carry out all financial operations and procurement of relevant consultancy services and technical assistance in compliance with the UNDP Country Office (CO) procedures and rules. The project will ensure that the project implementation and all processes therein take 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 good international standards and practices. The POPP creates safeguards for the realization of the value for money (VfM) approach in the operations of all UNDP projects through consistent, transparent, and detailed procedures. The implementation of the UNDP POPP, subject to robust internal checks, shall guarantee to ensure the economy of the project.

The project will follow the UNDP's Financial Regulations and Rules 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 the 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.

M&E system of UNDP (for more details, see below section on Monitoring, Evaluation and Learning) will ensure permanent monitoring of activities to ensure that inputs are relevant and converted to the planned outputs of the project.

Prior to approving any contract or cooperation agreement, the GRF project management and the CO conduct a value for money assessment of all potential applicants/bidders by comparing the proposed total cost and benefits of the contract. If there is only one proposed applicant, the VfM assessment looks at the proposed daily rates (in case of individual consultants, for instance) or management fee (in case of a consultancy company, CSO, or grant agreement with the Government partners), salaries and other costs, and compares them with national and international standards to determine if the costs are reasonable. The VfM assessment thus evaluates whether the costs are in line with market rates for Georgia. Furthermore, the project team will also scrutinize the planned interventions looking at the 4Es - effectiveness, equity, efficiency and economy, bearing in mind the equity principles in order to achieve maximum effectiveness, efficiency and economy for each intervention.

GRF will strive to create synergies with other ongoing projects at UNDP. The synergy with the Public Administration Reform (PAR) project and Elections Media Monitoring (EMM) Project will rely on sharing some of the project support staff and already fully established working space, including necessary furniture and equipment, software and vehicle between the two projects. The office running costs (office rent and security costs, office equipment, software, maintenance and repair, consumables - office supplies, other services such as IT support, office cleaning, telephone, Internet, electricity, heating, maintenance etc., vehicle depreciation, maintenance, fuel and insurance costs) will be proportionally distributed between the projects. Therefore, the office running costs will be decreased to a minimum. Venues, catering and other logistical arrangements for activities will be sourced out, with constant attention to prudence and exemplarity, as well as respect to local production and carbon footprint. Given the recently increased shift to online working modalities in the context of the COVID-19 pandemic, special consideration will be made to alternative online working arrangements, where applicable, without affecting the quality of the planned work to further contribute to achieving higher cost-effectiveness in the project operations.

Despite the synergy of the projects, GRF will maintain individual financial accounting. In addition to the staff allocated for the project implementation, UNDP CO in Georgia will provide operational support to the project implementation, including recruitment, granting, procurement and financing.

It is also noteworthy that this initiative will partner with the majority of the organizations that had established cooperation with other UNDP's ongoing project partners as well as with the institutions or the organizations identified in the previous phases of the project. UNDP procedures require to conduct the assessment of the implementing partner, including Harmonized Approach to Cash Transfers (HACT) assessment.[25] As the project partners will remain mostly the same, micro assessments conducted by the UNDP projects shall be used by this initiative and the proposed budget for micro assessments will be correspondingly decreased.

Key inputs will include international and local expertise, staffing, purchase of goods and services, and building partnerships with various stakeholders. Specific attention will be paid to 'South-South' Cooperation, whereas utmost efforts will be dedicated to identifying experts from the region that are well familiar with the challenges and legacies and have a high level of expertise in PAR and Governance field in general. Considering their knowledge of the context of the project and awareness of PAR developments in Georgia, the number of allocated days for preparation of assignments can be reduced that will contribute to the good value for money without sacrificing the quality of delivered services.

4.2/ PROJECT MANAGEMENT

The project will be implemented through the Administration of Government (NIM - National Implementation Modality) with UNDP Country Office support in accordance with UNDP rules and regulations. Namely, UNDP will provide operational and quality assurance support to the project implementation, including in recruitment, procurement, and financing, as well as consultancy support when designing and implementing innovative interventions to ensure that UNDP's corporate experience and capacities in mainstreaming innovations are properly applied in the project context. UNDP CO will ensure the project implementation and all processes therein take place per the UNDP rules and regulations as stipulated in the Programme and Operations Policies and Procedures (POPP).

UNDP will contract third-party suppliers such as consultants and companies (service providers) through open competition. Before finalizing the partnership, Responsible Parties (RPs) will undergo a HACT assessment undertaken by an independent audit company to determine risks related to organizational and financial management capacity. Overall, UNDP Georgia will continue to practice due diligence across all procurement and programmatic selection processes to ensure compliance with programme assurance procedures.

UNDP Office will decide to engage with non-governmental organizations (NGO) or Civil Society Organization (CSO) as Responsible Parties or Grantees and government and semi-government institutions as responsible parties based on the most appropriate mode of engagement. The selection of RPs is based on HACT 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 RP implementation assessment, cash transfer, audit, insurance, and monitoring are also reflected in HACT.

UNDP will assume overall responsibility for the implementation of the GRF project. Additional information on project management and staffing is provided in Section VIII, "Governance and Management Arrangements".

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[25]Due Diligence activities are based on Harmonized Approach to Cash Transfers (HACT) framework, which was endorsed by the United Nations Sustainable Development Group (UNSDG) in 2014 and which represents a common UN framework for transferring cash to government and non-governmental partners. Prior to engagement with partners, the HACT framework implies conducting of partner's micro assessment to assess partner's financial management capacity (i.e. Accounting, procurement, reporting, internal controls, etc.). Results of the micro assessment determine the overall risk rating and assurance activities (financial audits, internal control audits, special audits, programming visits, and spot checks) to be applied with each partner.

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNSDCF 2021-2026/CPD 2021-2025 Programme Results and Resource Framework: UNSDCF 2021-2025 Outcome 1/CPD 2021-2025 Outcome 1: By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights¹, and increased representation and participation of women in decision making

CPD 2021-2025 Output 1.1) Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all.

Outcome indicators as stated in the Country Programme Document 2021-2025 Results and Resources Framework, including baseline and targets:
1.1. (UNSDCF indicator 1.1) [National SDG 16.6.2.5] Rule of law index; **Baseline** (2019): percentile rank 62.02; **Target:** >63
1.2. (UNSDCF indicator 1.2) [National SDG 16.6.2.2] Voice and accountability index; **Baseline** (2019): percentile rank 53.20; **Target:** >54

1.3. (UNSDCF indicator 1.6.1) [National SDG 5.5.1] Proportion of seats held by women in national parliaments and local governments; **Baseline** (2019). a) Women in Parliament 14.8% (22 women). b) Women in local governments 13.5% (277 women); **Target:** a) < 20%; b) < 20%.

Applicable Output(s) from the UNDP Strategic Plan: Outcome 1. Eradicate poverty in all its forms and dimensions/1.1.1 Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions.

Project title and Atlas Project Number: award ID: 00136398 Governance Reform Fund (GRF)-Phase 4

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)	DATA COLLECTION METHODS & RISKS
			Value	Year	FINAL	
Output 1 Institutional and human capacity of targeted public agencies strengthened to better implement reforms for advancing public administration systems	1.1 # of CDF interventions implemented (disaggregated by democratic and environmental governance field)	*Routine monitoring data*	0	2021	1.1 At least 15 CDF initiatives implemented in 2022-2024 (at least five (5) initiative per year)	*Data Collection Methods: Secondary Data analysis / Desk Review, Routine Monitoring and data collection*
	1.2 # of public agencies directly benefitting from implementation of CDF Interventions	*Routine monitoring data*	0	2021	1.2 At least 10 public agencies directly benefit from the implementation of CDF interventions	*Data Collection Methods: Secondary Data analysis / Desk Review, Routine Monitoring and data collection*
	1.3 % of public institutions who report increased institutional capacity as a result of the implementation of CDF Initiatives	*Internal Evaluation*	0	2021	1.3 At least 80% of public institutions report increased institutional capacity as a result of the implementation of CDF Initiatives	*Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant interviews, Focus group discussions), Quantitative Study, Internal Evaluation*
	1.4 % of public institutions who report improved institutional systems as a result of the implementation of CDF Initiatives	*Internal Evaluation*	0	2021	1.4 At least 80% of public institutions report improved institutional systems as a result of the implementation of CDF Initiatives	*Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant interviews, Focus group discussions), Quantitative Study, Internal Evaluation*
	1.5 Feedback by the staff of beneficiary organizations involved in the design/ development/ implementation of sub-projects (extent to which the agency is satisfied during the design and implementation processes)	*Internal Evaluation*	0	2021	1.5 At least 70% of the staff members of beneficiary organizations provide positive feedback regarding the process of design and implementation of the sub-projects	*Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant interviews, Focus group discussions), Quantitative Study, Internal Evaluation*

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)	DATA COLLECTION METHODS & RISKS
			Value	Year	FINAL	
	1.6 Extent to which the civil servants apply the knowledge acquired through targeted assistance in their daily operations	Internal Evaluation	0	2021	1.6 At least 80% of civil servants report on the application of new skills/knowledge gained as a result of their engagement in the project	Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant Interviews, Focus group discussions), Quantitative Study, Internal Evaluation
	1.7 Agenda 2030 mainstreamed in GRF-supported initiatives (Y/N)	Analysis of GRF's contribution to SDGs	0	2021	1.7 Results achieved through GRF interventions contribute to the implementation of nationalized SDGs Goals and Targets	Data Collection Methods: Secondary Data analysis / Desk Review
	1.8 Gender and diversity perspectives appropriately addressed in initiatives	Internal Evaluation	0	2021	1.8 All groups (men, women, PwDs, youth) benefit equally from the results achieved through GRF interventions	Data Collection Methods: Secondary Data analysis / Desk Review
Output 2 The enabling environment created through advancing policy formulation and regulatory framework to address sectoral challenges in the field of democratic and environmental governance	2.1 Percentage of targeted public institutions that assess the on-demand consultancy as relevant and appropriate (effective, efficient, timely and needs-based) activity	Internal Evaluation	0	2021	2.1 At least 80% of the consultancy products are evaluated as high-quality by senior management and staff members of the beneficiary organizations	Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant Interviews, Focus group discussions), Quantitative Study, Internal Evaluation
	2.2 Extent to which the elaborated policies and legislative frameworks address sectoral challenges and support the country to meet international obligations	Internal Evaluation	0	2021	2.2 At least 80% of elaborated policies and legislative frameworks are in line with sectoral challenges in the field of democratic and environmental governance	Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant Interviews, Focus group discussions), Quantitative Study, Internal Evaluation
	2.3 Extent to which the elaborated policies and legislative frameworks serve as an evidence for informed decision-making	Internal Evaluation	0	2021	2.3 At least 60% of policies and legislative frameworks are reported to be used by the agencies in their decision-making process	Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant Interviews, Focus group discussions), Quantitative Study, Internal Evaluation
	2.4 Extent to which the results of provided support within ODS and CDF initiatives are scalable and replicable	Internal Evaluation	0	2021	2.4 At least 60% of outcomes of the interventions (ODS and CDF) are reported to be scalable and replicable by the public institutions	Data Collection Methods: Secondary Data analysis / Desk Review, Qualitative Study (Key informant Interviews, Focus group discussions), Quantitative Study, Internal Evaluation

VI.   MONITORING AND EVALUATION

Learning and adaptive management are at the heart of GRF's implementation strategy. The project will implement participatory, evidence-driven, and agile approaches to design, implementation, learning, and adaptation. This is crucial as the project involves multiple stakeholders from a diverse set of sectors, and an overall objective that is dynamic and fast-changing.

M&E is a dynamic process used to influence decision-making and resource allocation through rigorous monitoring and performance evaluations, adaptive management, and systematic learning.

GRF's monitoring, evaluation, and learning approach will include a strong focus on building the capacity of partner organizations in M&E. The capacity-building activities will be followed up with coaching to ensure the sustainability and application of gained knowledge and skills and support their integration into partners' programming through regular mentoring. As capacity building involves collective behaviour, GRF will support improved skills-sharing, collaboration, and cross-sectoral partnerships through project activities and externally. The initiative's implementation process, and the learnings generated through this process, will be central to this.

GRF will institute an effective system of feedback and learning, so that the Government and partner NGOs receive ongoing assurance that the initiatives are delivering results according to expectations.

The project's learning agenda and activities will put an emphasis on research, reflection, and a participatory analysis and discussion of findings. Throughout the year, monitoring, evaluation, and learning will be conducted through a number of key activities:

- Elaboration of monitoring and evaluation matrixes and risk logs for each sub-project to ensure the identification of expected outputs, indicators, targets, and assumptions/risks from the initial stage.
- An M&E planning workshop will be held at the beginning of each sub-project to ensure the sound management of the given project and that all relevant implementers have been trained on M&E, putting emphasis on the indicators stated in the Results and Resource Framework. After the workshops, all participants will be aware of the expected results, how to effectively implement activities, and what to focus on when planning an activity's implementation. These discussions will be crucial in evolving how the partners should deal with data collection/analysis, and report and identify potential bottlenecks in advance.
- Coaching of partner institutions in M&E: provision of advisory services to agencies/CSOs in the application of M&E tools. More specifically, GRF's Capacity Assessment, Evaluation and Monitoring Specialist will work hand-in-hand with partners to provide on-job training on the elaboration of survey questionnaires, administering studies, collecting data, analysing and processing information, and compiling reports.
- Regular consultations with the project team, site visits, team discussions, discussions with various stakeholders, desk-review of project products, financial and narrative reports, and tracking the ongoing process through which stakeholders obtain regular feedback on the progress being made towards the achievement of their goals and objectives. The team will ensure overall data quality through proven practices, including clear procedures on reviewing data collection tools, piloting tools where appropriate, conducting spot-checks for certain data points, and undertaking a thorough and timely review of collected data.
- The evaluation of each initiative within six months of its completion. GRF's Capacity Assessment, Evaluation and Monitoring Specialist will conduct the evaluation of all initiatives within six months of their completion, following OECD-DAC criteria. The project team will collate learning points from these evaluations to be shared during subsequent initiatives with new/existing partners. These will be compiled into an evaluation report, with an emphasis placed on both implementation effectiveness and the design process.
- After action reviews: after the evaluation of each initiative, the GRF team will discuss the findings with respective partners to capitalize on learning generated through the evaluation process.

- As a certain amount of data are collected by partner institutions, the project will ensure that agencies have the tools and capacity needed to collect and compile quality information. As such, capacity-building activities, notably with respect to effectively using the M&E framework and tools developed through GRF-funded initiatives, will serve the dual purpose of enabling project-level data analysis, but also providing quality data for performance indicators at intervention and broader project level.
- Learning review of capacity-building activities: GRF's Capacity Assessment, Evaluation and Monitoring Specialist will conduct a review of capacity-building activities on a regular basis with partner institutions to generate lessons learned and identify potential gaps. The latter will be capitalized on in subsequent cycles of capacity-building measures and further built on during the project's implementation.
- Reviews of the alignment of GRF with SDGs and Sida's Multidimensional Poverty Framework: analysis/case-studies on the integration of SDGs and Poverty Framework into the GRF's programming will be compiled to identify and record best practices, lessons learned, and recommendations. The latter will be discussed internally within the team and donor to generate relevant feedback.
- Internal evaluation and annual review of data: the annual analysis of all data by the GRF's Capacity Assessment, Evaluation and Monitoring Specialist and team will identify emerging trends as well as outstanding questions drawn from the data and develop recommendations for targeted areas. These findings will be discussed with relevant public institutions/CSOs to generate their interest and agree on future steps.
- The Annual Project Progress Report will cover a 12-month period of project implementation and will be provided to the donor organization within three months of the completion of the respective year for review and approval. The progress report will detail the progress made towards expected results, while identifying factors contributing to, or impeding, the achievement of results, as well as highlighting lessons learned, and presenting the financial status of the project.
- The Final Report will be prepared by the end of the project period and will be submitted to the donor organization no later than six months after the completion of the project. The report will include an assessment and analysis of project performance over the reporting period including outputs, constraints, lessons learned, and recommendations to avoid key problems from arising in future projects.

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

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.	At least annually	Slower than expected progress will be addressed by project management.		
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.	At least annually	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.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and	At least annually	Relevant lessons are captured by the project team and		

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
	partners and integrated back into the project.		used to inform management decisions.		
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 management decision making to improve the project.	Bi-Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
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.		
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.	Annually			
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.	Annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

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
Internal Evaluation of initiatives within 6 months of completion of each initiative	N/A	N/A	N/A	Throughout the project	AoG, donor	Project budget
Final Project Evaluation	N/A	SP Output 1.1.1.	Outcome 1	Nov-2024	AoG, donor, project partners	25,000USD (project budget)

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The project will be guided by UNDP's capacity development approach26 and it will concentrate on advancing core capacity issues (institutional arrangements, leadership, knowledge, and accountability) as well as technical and functional issues (stakeholder engagement, capacity to develop a vision and mandate, formulating strategies and policies, implementation of policies and evaluation) in a gender-balanced manner.

The capacity development will be linked to a broader set of reforms. Indeed, it will have a multi-sided focus on individual, organizational, and national skills by supporting drivers of empowerment, leadership, public participation and institutional change. GRF will provide critical and immediate capacity development interventions in policy, management, leadership, and institutional reform.

For UNDP, capacity development addresses power relations, mindsets and behavioural change, putting a heavier emphasis on the importance of motivation as a driver of change.

In this regard, it is crucially important to have reliable baseline data before even starting to design the intervention. Therefore, the Capacity Assessment and Evaluation Specialist will design survey instruments for each target counterpart. This will be done through focus group discussions, individual questionnaires, or by direct observation, depending on the situation.

The initial needs assessment of specific initiatives involving the project's Capacity Assessment and Evaluation Specialist will be key in evaluating capacity development throughout the project. The evaluation process follows these steps:

- Provide an evaluation framework for capacity development, including illustrative indicators for capacity development responses, and select an application context based on the Evaluating for Results Methodology and process toolkit. Since behavioural change is difficult to quantify, the development of meaningful qualitative indicators is crucial here.
- Conduct evaluations within six months of the completion of each sub-project/on-demand consultancy. A repeat exercise, then final evaluation, is carried out using the same questionnaires and indicators, if possible, with the same enumerators and respondents in order to measure impact of the deliverables. Some baseline data can only be collected during the implementation of the action rather than at the project's beginning. All data from these separate activities are compiled in a final evaluation report, delivered at the end of the project.
- The evaluation results then inform subsequent phases of capacity development responses.

Wherever possible, the project will ensure the facilitation of dialogue within the Government and/or between the Government, CSOs, and the general public on issues of common concern. This can be realized through specific joint sub-projects and strategic meetings in thematic groups.

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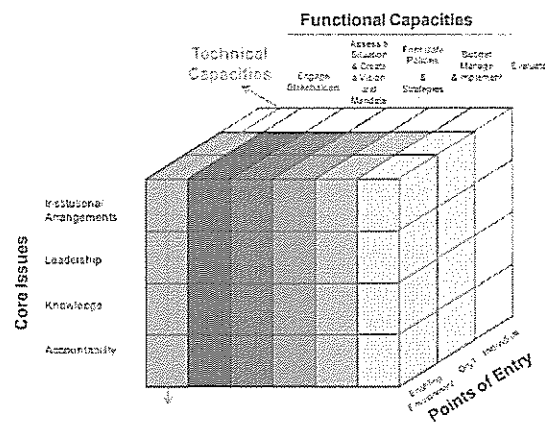
26 Supporting Capacity Development, UNDP Approach . https://www.undp.org/content/dam/aplaws/publication/en/publications/capacity-development/support-capacity-development-the-undp-approach/CDG_Brochure_2009.pdf

VII. BUDGET (USD)

Project Title:	Governance Reform Fund (GRF) Project								
PROJECT ACTIVITIES									
Planned Activity						Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2024	TOTAL
OUTPUT 1. Capacity Development Fund (CDF)						577,778	400,000	400,000	1,377,778
					Sub-total Output 1	577,778	400,000	400,000	1,377,778
OUTPUT 2. On-demand [Consultancy] Services (ODS)						265,838	223,986	198,986	688,810
					Sub-total Output 2	265,838	223,986	198,986	688,810
					Project Activities Total	843,615	623,986	598,986	2,066,588

ADMIN COST	Description	Account	Unit Cost	Number of Units	Number of Months	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2024	TOTAL
Communications 100%	Land Telephone/Internet Charges	72400	80	1	12	960	960	960	2,880
	Mobile Telephone Charges	72400	15	6	12	1,080	1,080	1,080	3,240
	E-mail-Subscription	72400	170	6	Lump sum	1,020	1,020	1,020	3,060
Supplies 100%	Stationary and other office supplies	72400	120	1	12	1,440	1,440	1,440	4,320
Information Technology equipment 100%	Acquisition of Computer Hardware	72400	2,000	4	Lump sum	8,000			8,000
	Acquisition of Computer Software	72400	600	4	Lump sum	2,400			2,400
	Information Technology Supplies	72400	50	1	12	600	600	600	1,800
Rental & Maintenance- Premises 50%	Office Rent	73125	1,500	1	12	18,000	18,000	18,000	54,000
	Utilities	73120	200	1	12	2,400	2,400	2,400	7,200
	Custodial Service	73110	50	1	12	600	600	600	1,800
Audio-Visual & Print Production Costs 100%	Printing and Publications	74210	2,000	Lump sum	Lump sum	2,000	2,000	2,000	6,000
	Translation Cost	74220	3,000	Lump sum	3,000	3,000	3,000	3,000	9,000
	Communications and Visibility	74215	3,000	Lump sum	3,000	3,000	3,000	3,000	9,000
Contractual Services	(Organizing workshops, conferences, trainings, presentations)	72400	3,000	Lump sum	3,000	3,000	3,000	3,000	9,000
Purchase & Maintenance of Office vehicle 50%*	Purchase, Maintenance and Operation of Office vehicle	73410	Lump sum	1	Lump sum	29,000	2,000	2,000	33,000
Miscellaneous Expenses 100%	Sundry	72400	500	Lump sum	500	500	500	500	1,500
					Sub-total	77,000	39,500	39,500	156,200
LOCAL STAFF									
Project Coordination Unit	Contractual services - Individuals	71400	20,100	1	12	241,200	241,200	241,200	723,600
Programme Management 10%	NP/GS staff	61000	787	1	12	9,446	9,446	9,446	28,338
External Evaluation	International consultant	71200	25,000	Lumpsum	Lumpsum			25,000	25,000
					Sub-total	250,646	250,646	275,646	776,938
					Admin Cost Total	327,646	290,246	315,246	933,138
					TOTAL NET	1,171,261	914,232	914,232	2,999,726
F&A									
Facilities and Administration (F&A)		75100			8%	93,701	73,139	73,139	239,978
GRAND TOTAL						1,264,962	987,371	987,371	3,239,704
UN Resident Coordination Office (RCO) Coordination Levy 1% (USD)									32,397
GRAND TOTAL Including Coordination Levy									3,272,101

* The fee for the purchase of office vehilce will be reflected as expenditure on the basis of respective depreciation cost in the financial records.

VIII.   GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Acknowledging the importance of national leadership and ownership of the donor-funded interventions for achieving tangible results and guaranteeing sustainability of project outputs, the project will be implemented through national implementation modality (NIM) with AoG serving as Implementing Partner and UNDP CO providing support services.

UNDP will organize the Project Board, which will serve as the project's oversight mechanism. The Project Board will gather representatives of the implementing partner (AoG), UNDP, donor and the project beneficiary agencies/institutions/organizations to stay informed about project progress, key bottlenecks and challenges encountered, and the next course of planned activities. The strategic direction of the GRF project as a whole will be reviewed and, if necessary, modified during the Project Board meetings, which will be held on an annual basis.

UNDP will assume overall responsibility for the implementation of the GRF project and will assign a Project Coordination Unit (PCU) to assume overall management and coordination of GRF activities. 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 GRF project complement each other and are in line the project's objective. Specifically, the PCU will consist of a Project Manager, a Finance/Procurement Associate, a Capacity Assessment and Evaluation Specialist, a Good Governance Coordinator, an Environmental Coordinator, a Communications Specialist and Gender Specialist (on a need basis):

- **Project Manager (100%)** - will be responsible for the overall coordination and management of the project while ensuring the quality and timeliness of deliverables. The role will include the following responsibilities: overall management of the project preparation and implementation (including sub-project activities) that strengthens the capacities of government institutions through targeted support; Lead and direct the team to ensure achievement of milestones and incorporate innovative solutions at the design stage of initiatives to leverage and accelerate the impacts and sustainability. The Project Manager will provide guidance and direct operational support to the project team to develop mitigating risk responses during preparation and implementation of all initiatives, will promote the integration of UN Sustainable Development Goals in project implementation, and will lead operational work to ensure gender equality, civil society engagement, poverty reduction, and public service delivery, with the approach "no one is left behind". Furthermore, the Project Manager will provide regular coaching and mentoring to public institutions to efficiently operationalize the initiatives, will develop and maintain excellent relationships will all key partners, stakeholders, and beneficiaries. Meanwhile, the person will be managing the project finances according to the approved budget, supervising major procurement of supplies and equipment for the program and related tender documentation, supervise and coordinate the work of project specialists and administrative personnel and ensure timely and evidence-based reporting.

- **Good Governance Coordinator (100%)** - this position will be responsible for identifying capacity development needs of public institutions and formulate capacity development response in consultation and cooperation with the national counterparts, especially in the area of public administration reforms system development. The main functions of this role will consist of day-to-day coordination and oversight of the ongoing initiatives in the field of good governance, especially in policy development, civil service, service delivery, and e-governance. Tasks associated with this position will also include supporting the GRF Project Manager in providing regular coaching and mentoring to public institutions to efficiently operationalize the initiatives; providing timely, high quality and evidence-based reporting in coordination with other staff members; support in ensuring adequate information flow between the GRF Project and the UNDP Office in Tbilisi.

- **Environmental Coordinator (100%)** - this position will be responsible for the coordination, preparation, and implementation process of the initiatives in the environment and energy sector

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using both project implementation modalities (including sub-project activities and on-demand consultancy services) in the environment and energy sector. Furthermore, the coordinator will be in charge of selecting ideas for CDF and/or ODC mechanisms and verifying them to be in compliance with the environmental and climate change strategic documents; communicating with partners, state and non-governmental organizations during the implementation process of the initiatives to ensure the quality control of the deliverables such as guidelines, action plans, technical regulations, legislative acts, information, and communications public-outreach materials, capacity development activities, etc. Besides, the Environmental Coordinator will be involved in the identification and selection process y of the local and international experts to meet their acute needs, guide implementing agencies through technical assistance, monitoring, training, cross-partner learning, coaching, and capacity development strategies. S/he will provide timely, high quality and evidence-based reporting in coordination with other project staff members and contribute to effective information flow between the PAR GRF Project and the UNDP country office.

- **Monitoring & Evaluation (M&E) Consultant (100%)** - M&E consultant will be responsible for developing and maintaining functional M&E framework for overall GRF projects to track the progress and measure the impact of ongoing project interventions, and provide feedback to fine-tune strategies and activities of the project supported initiatives; develop evaluation tools and processes, innovative approaches in evaluation that meet the requirements of UNDP; design and carry out data collection methodologies, instruments, and tools to gather critical information that monitor and evaluate the project's progress against targeted outcomes and impact; This position also ensures that the project activities and interventions are gender and social inclusion sensitive and gender is mainstreamed in project's M&E frameworks. M&E specialists will provide regular coaching sessions and consultations to partner agencies, will undertake systematic desk-review of the project products, financial and narrative reports, and track the ongoing process by which stakeholders obtain regular feedback on the progress being made towards achieving their goals and objectives. The person will provide timely, high-quality, and evidence-based reporting, lessons learned in coordination with other staff members. Under close coordination with GRF Project Manager, the M&E specialist will plan and implement the project monitoring and evaluation mechanisms, including through the development of the detailed output and outcome indicators and suggest strategic and operational adjustments as needed.

- **Communications Specialist (50%)** - Project Communications Specialist will be responsible for developing and implementing a communication strategy that includes media outreach and social media content preparation, develops the GRF project's communications strategy, and support project staff and key partners in their communication-related tasks within the framework of the project, ensuring that project's most relevant activities are properly publicized to the wider public and all the communication materials, and statements produced by the project and the implementing partners are fully in compliance with the UNDP and the Government of Sweden communication, branding and visibility guidelines. This position will be in charge of drafting content (e.g., press releases) for social and mass media, and supervising the design and maintenance of the content of the public information uploaded by the implementing partners, as well as guiding them for the quality of the public outreach activities. The Communication Specialist will also be tasked to ensure that project follows sound and workable communication practices established by the UNDP Georgia to ensure consistent information flow, media outreach (including intensive use of social media channels), and commendable image maintenance in the long run.

- **Project Admin/Finance/Procurement Associate (100%)** - this function will be responsible for providing full-fledged administrative, finance, and procurement support to the project and serves as a main liaison with the UNDP CO operations section while implementing project administrative, finance, and procurement operations. More specifically, this position will provide effective support to project management, administration of budgets, and functioning of the optimal cost-recovery system focusing on achievement of the project objectives; coach the implementing partners in budget development and financial reporting specifications; ensure timely, accurate, and relevant financial reports to management, UNDP and the donor. S/he will carry out all day to day administrative,

operational and financial management functions of the project and provide logistic support to workshop/seminar and other project activities.

- **Gender Specialist (on a needs basis)** – this position will be responsible for assisting the project team and the implementing partners in analysing the roles and needs of women and men and addressing any gender inequalities so that women and men can equally access, equally participate in activities and equally benefit from the resources, services, capacity building and other activities offered by the initiatives. More specifically, gender specialist will assess and categorize the project's potential to integrate gender dimensions and contribute to the advancement of gender equality, brainstorm with partners to design the activities to meet the specific needs of women and men and collect sex-disaggregated data to track gender equality results and assess gender impacts. Moreover, he/she will be responsible for building capacity within the project team and among stakeholders to ensure gender-responsive implementation and the continued integration of a gender perspective within the sector/area of interventions. The Gender Specialist will be hired on a consultancy basis and will be engaged in the project implementation whenever needed to mainstream the gender-sensitive issue in the project activities.

The PCU's primary tasks will include:
- Supporting national counterparts in identifying capacity gaps or needs and designing targeted interventions.
- Coaching and assisting national counterparts in designing the sub-project document and later the implementation of capacity development responses.
- Facilitating coordination among key stakeholders.
- Monitoring and evaluating individual sub-projects (jointly with national counterparts) as well as of the GRF project in its entirety.
- Contributing to UNDP resource mobilization activities.
- Evidence-based reporting to the UNDP Democratic Governance Team Leader and the project review meeting; and
- Ensuring that the disbursement of funds, procurement, and contracting of personnel is in line with UNDP rules and regulations.

UNDP will regularly report on the project's progress through review meetings and bilateral meetings with the donor representatives. The PCU will facilitate the proactive role of Sida in project implementation by pinpointing opportunities for it to contribute relevant expertise as well as through a participatory monitoring process.

UNDP will undertake an overall supervisory and quality assurance role in the project implementation and will use its convening powers where and when necessary. UNDP CO staff (Democratic Governance Team Leader, Democratic Governance Programme Associate, CO M&E specialist, CO Innovations specialist) will be performing quality assurance functions.

The Prime Minister's Office/ AoG will be the primary implementing partner for the GRF project; however, AoG can also be the primary beneficiary agency together with the Parliament of Georgia, the line ministries, and public agencies. Coordination and information exchange will be sought with a wide range of stakeholders, including civil society and local governments, through the planned activities.

The diagram below better demonstrates the GRF project management arrangements:

GRF PROJECT ORGANIZATION STRUCTURE
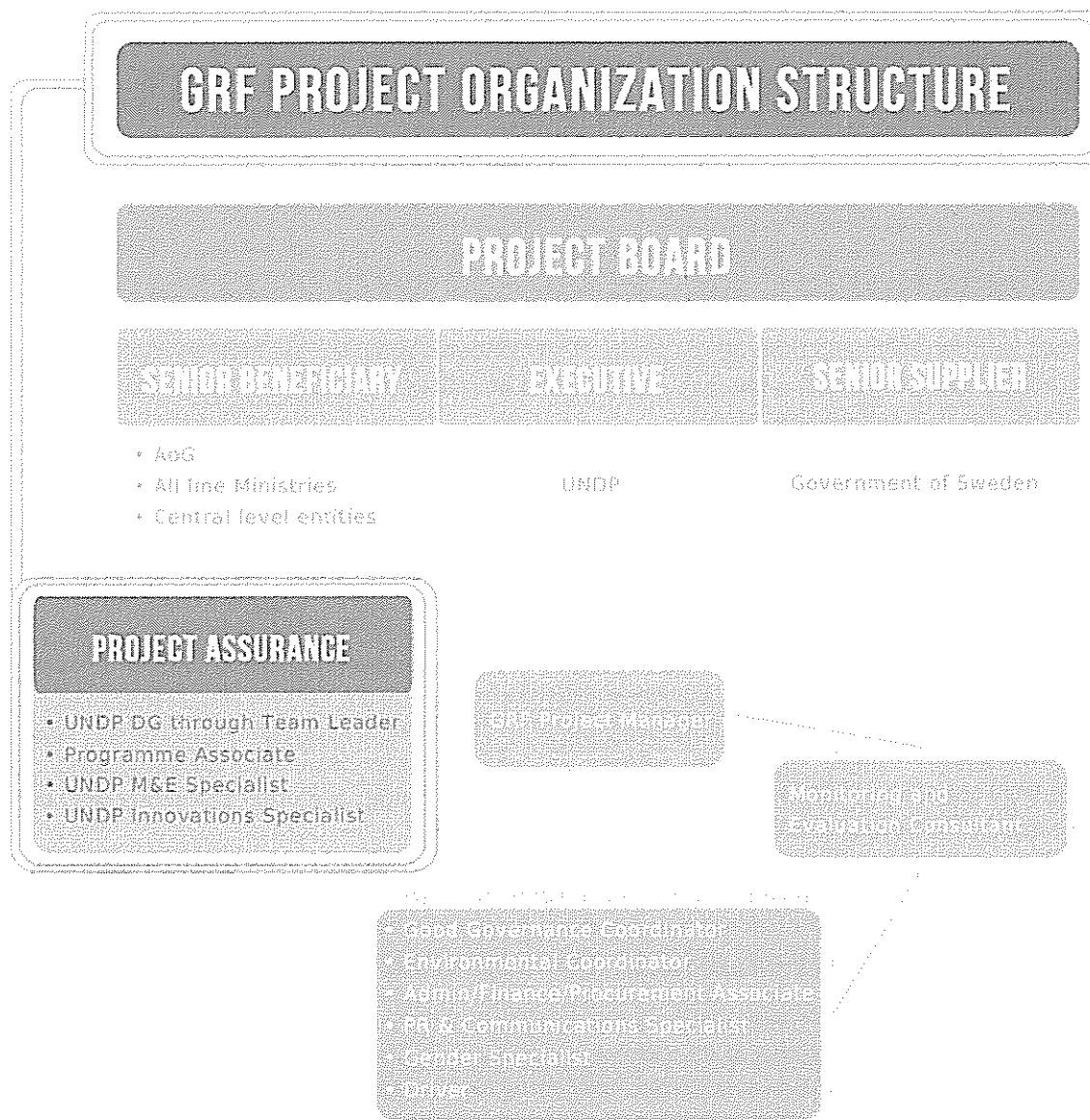
IX. LEGAL CONTEXT

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 UNDP Georgia in accordance with its financial regulations, rules, practices and procedures.

X. RISK MANAGEMENT

Government Entity (NIM)

1. Consistent with the Article III of the SBAA, 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:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. 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.

3. 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.

4. 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).

5. 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.

6. 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.

7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI.   ANNEXES

1. Project Design and Appraisal Stage Quality Assurance Report

2. Social and Environmental Screening Template

3. Letter of Agreement between UNDP and the Administration of Government of Georgia (AoG) for the Provision of Support Services

Project Design and Appraisal Stage Quality Assurance Report

Form Status: Approved

Overall Rating: Highly Satisfactory

Decision: Approve: The project is of sufficient quality to continue as planned. Any management actions must be addressed in a timely manner.

Portfolio/Project Number: 00136398

Portfolio/Project Title: Governance Reform Fund GRF 2

Portfolio/Project Date: 2022-01-01 / 2024-12-31

Strategic   Quality Rating: Highly Satisfactory

1. Does the project specify how it will contribute to higher level change through linkage to the programme's Theory of Change?

⟳ 3: The project is clearly linked to the programme's theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project's strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context   and   includes   assumptions   and   risks.

⊚ 2: The project is clearly linked to the programme's theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead   to   this   change.

⟳ 1: The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change.

Evidence: Yes, section 2.1/ THEORY OF CHANGE
provided elaborated ToC in narrative and graphic
form.

List of Uploaded Documents

#	File Name	Modified By	Modified On
	No documents available.		

2. Is the project aligned with the UNDP Strategic Plan?

⟳ 3: The project responds to at least one of the development settings as specified in the Strategic Plan[1] and adapts at least one Signature Solution[2]. The project's RRF includes all the relevant SP output indicators.   (all   must   be   true)

⊚ 2: The project responds to at least one of the development settings as specified in the Strategic Plan[4]. The project's RRF includes at least one SP output indicator, if relevant. (both must be true)

⟳ 1: The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF.

Evidence: Yes, it is aligned to SP Output 1.1.1 (See
Resuls Framework)

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No documents available.

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3. Is the project linked to the programme outputs? (i.e., UNDAF Results Group Workplan/CPD, RPD or Strategic Plan IRRF for global projects/strategic interventions not part of a programme)

○ Yes

○ No

Evidence: Linkages to UNSDCF and CPD provided in
RRF, as well as different sections (2/ Strategy, 2.1/
Theory of Change, 3/ Results and Partnerships).

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No documents available.

Relevant   Quality Rating: Highly Satisfactory

4. Do the project target groups leave furthest behind?

○ 3: The target groups are clearly specified, prioritising discriminated, and marginalized groups left furthest behind, identified through a rigorous process based on evidence.

○ 2: The target groups are clearly specified, prioritizing groups left furthest behind.

○ 1: The target groups are not clearly specified.

Evidence: The project's target is clearly defined:
public institutions and civil servants, who will
develop necessary skills and capacities through
targeted assistance in their daily operations.

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No documents available.

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5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design?

○ 3: Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project.

○ 2: The project design mentions knowledge and lessons learned backed by evidence/sources but have not been used to justify the approach selected.

○ 1: There is little, or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence.

Evidence: Yes, the section 2.2/ LESSONS LEARNED
reviews lessons learned during implementation of
the previous phase, building on the
recommendations and findings of the external
evaluation of the previous phase, commissioned by
the donor.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national / regional / global partners and other actors?

3: An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. (all must be true)

2: Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans.

1: No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance.

Evidence: Partnerships are reviewed in the section
3.3/ STAKEHOLDER ENGAGEMENT AND PARTNERSHIP

List of Uploaded Documents

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No documents available.

Principled   Quality Rating: Satisfactory

7. Does the project apply a human rights-based approach?

3: The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. (all must be true)

2: The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. (both must be true)

1: No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered.

Evidence: Yes, the project will "integrate Human-Rights Based Approach (HRBA) as a cross-cutting theme to its interventions by drawing attention to the accountability to respect, protect, promote and fulfil the human rights of all people". (see section 2.4/ INTEGRATION OF HUMAN-RIGHTS APPROACH

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List of Uploaded Documents

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No documents available.

8. Does the project use gender analysis in the project design?

○ 3: A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. (all must be true)

◉ 2: A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. (all must be true)

○ 1: The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document.

Evidence: Separate section 2.5/ GENDER EQUALITY AND WOMEN'S EMPOWERMENT is dedicated to integration of gender principles. Project collected data will be gender dis-aggregated, wherever possible.

List of Uploaded Documents

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No documents available.

9. Did the project support the resilience and sustainability of societies and/or ecosystems?

○ 3: Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. (all must be true)

◉ 2: The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. (both must be true)

○ 1: Sustainability and resilience dimensions and impacts were not adequately considered.

Evidence: Not applicable for this project, as it deals with the capacity building of capacity institutions. SESP is filled.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

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10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.]

◉ Yes

○ No

○ SESP not required because project consists solely of (Select all exemption criteria that apply)

◻ 1: Preparation and dissemination of reports, documents and communication materials

◻ 2: Organization of an event, workshop, training

◻ 3: Strengthening capacities of partners to participate in international negotiations and conferences

◻ 4: Partnership coordination (including UN coordination) and management of networks

◻ 5: Global/regional projects with no country level activities (e.g. knowledge management, inter-governmental processes)

◻ 6: UNDP acting as Administrative Agent

Evidence: SESP attached Risk category: Low

List of Uploaded Documents

#	File Name	Risk Category	Risk Requirements	Document Status	Modified By	Modified On
1	SESP-GRF2_11546_110	Low		Final	khatuna.chanukvadze@undp.org	12/29/2021 9:12:00 PM

Management & Monitoring Quality Rating: Satisfactory

11. Does the project have a strong results framework?

○ 3: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. (all must be true)

◉ 2: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. (all must be true)

○ 1: The project's selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. (if any is true)

Evidence: Project contains SMART output level indicators, both qualitative and quantitative.

List of Uploaded Documents

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No documents available.

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12. Is the project's governance mechanism clearly defined in the project document, including composition of the project board?

⊙ 3: The project's governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. (all must be true)

⊙ 2: The project's governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. (all must be true)

⊙ 1: The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided.

Evidence: The project governance mechanism is clearly defined in section VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

List of Uploaded Documents

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No documents available.

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13. Have the project risks been identified with clear plans stated to manage and mitigate each risk?

⊙ 3: Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the programme's theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders, including consultation with the UNDP Security Office as required. Clear and complete plan in place to manage and mitigate each risk, including security risks, reflected in project budgeting and monitoring plans. (both must be true)

⊙ 2: Project risks related to the achievement of results are identified in the initial project risk log based on a minimum level of analysis and consultation, with mitigation measures identified for each risk.

⊙ 1: Some risks may be identified in the initial project risk log, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified, no initial risk log is included with the project document and/or no security risk management process has taken place for the project.

Evidence: The project has risk log (section 3.2 Risks and Assumptions)

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

Efficient   Quality Rating: Highly Satisfactory

14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example:

i) Using the theory of change analysis to explore different options of achieving the maximum results with the resources available. ii) Using a portfolio management approach to improve cost effectiveness through synergies with other interventions. iii) Through joint operations (e.g., monitoring or procurement) with other partners. iv) Sharing resources or coordinating delivery with other projects. v) Using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.

⊙ Yes

◌ No

Evidence: Cost efficiencies discussed in length is section 4.1/ COST EFFICIENCY AND EFFECTIVENESS

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

15. Is the budget justified and supported with valid estimates?

◌ 3: The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated.

⊙ 2: The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates.

◌ 1: The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget.

Evidence: The project budget provides detailed administrative costs and generic budget for programmatic part due to its nature.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

16. Is the Country Office / Regional Hub / Global Project fully recovering the costs involved with project implementation?

⊙ 3: The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.)

◌ 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant.

◌ 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP

is cross-subsidizing the project.

Evidence: The project will recover DPS costs, as UNDP CO will providing support services.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

Effective   Quality Rating: Highly Satisfactory

17. Have targeted groups been engaged in the design of the project?

⊙ 3: Credible evidence that all targeted groups, prioritising discriminated and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.)

⦿ 2: Some evidence that key targeted groups have been consulted in the design of the project.

⊙ 1: No evidence of engagement with targeted groups during project design.

⊙ Not Applicable

Evidence: The project was designed in consultation with national stakeholders, including Administration of Government, which is Implementing Partner of the project.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation?

⦿ Yes

⊙ No

Evidence: Yes, Project Board will serve this purpose.

List of Uploaded Documents

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No documents available.			

19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum.

⦿ Yes

⊙ No

Evidence: The project is GEN2.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

Sustainability & National Ownership Quality Rating: Satisfactory

20. Have national / regional / global partners led, or proactively engaged in, the design of the project?

⊙ 3: National partners (or regional/global partners for regional and global projects) have full ownership of the project and led the process of the development of the project jointly with UNDP.

⊙ 2: The project has been developed by UNDP in close consultation with national / regional / global partners.

⊙ 1: The project has been developed by UNDP with limited or no engagement with national partners.

Evidence: The project was designed in consultation
with national stakeholders, including Administration
of Government, which is Implementing Partner of
the project.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

21. Are key institutions and systems identified, and is there a strategy for strengthening specific / comprehensive capacities based on capacity assessments conducted?

⊙ 3: The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly.

⊙ 2: A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment.

⊙ 1: Capacity assessments have not been carried out.

⊙ Not Applicable

Evidence: The project's primary objective is to build
capacities of public agencies through targeted
interventions. As in the previous phase, capacity
assessment will be done by the end of each
targeted intervention. Besides, all responsible
parties (mainly public institutions) will undergo
HACT assessment prior to signing the agreement.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

22. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.,) to the extent possible?

⊙ Yes

⊙ No

◉ Not Applicable

Evidence: The project is NIM with CO support and therefore UNDP will use its own system of procurement, HR and finances.

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

23. Is there a clear transition arrangement / phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation and communications strategy)?

◉ Yes

⊙ No

Evidence: Yes, sustainability factors are considered in section 3.6/ SUSTAINABILITY AND SCALING UP

List of Uploaded Documents

#	File Name	Modified By	Modified On

No documents available.

QA Summary/LPAC Comments

Annex 2

Social and Environmental Screening Template

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

Project Information	
1. Project Title	Governance Reform Fund (GRF) — Phase IV
2. Project Number (i.e. Atlas project ID, PIMS+)	00136398 / Output: 00127317: GEN2
3. Location (Global/Region/Country)	Georgia
4. Project stage (Design or Implementation)	Design
5. Date	01 January 2022

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
In the framework of the project, GRF will integrate Human-Rights Based Approach (HRBA) as a cross-cutting theme to its interventions by drawing attention to the accountability to respect, protect, promote and fulfil the human rights of all people. Increased focus on accountability will hold the key to improved effectiveness and transparency of initiatives. Another important value provided by the application of the HRBA will be the focus on the most vulnerable, marginalized, and excluded in society as their human rights are most widely denied or left unfulfilled (whether in the social, economic, political, civil, or cultural spheres and often, a combination of these) through the establishment of citizen-centric governance systems. HRBA will generally lead to better analysed and more focused strategic interventions by providing the normative foundation for tackling democratic governance issues, including those related with the environmental governance. Those good governance dimensions shall enable the GRF project to align the HRBA principles with consistent analysis of interventions through these lenses. Furthermore, the GRF team will capitalize on the strengths of EU supported and UNDP implemented Human Rights project to seek guidance, advice, and synergy during the next phases.
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment
Within the framework of GRF, UNDP will engage with national counterparts to ensure that gender mainstreaming is observed in the design and implementation of interventions (i.e. impacts on gender equality are analysed in the design phase, gender equality is maintained in implementation, and gender-disaggregated data are collected, where possible, for monitoring and evaluation purposes). Capacity-building measures have a long-term effect on representation and power relations in institutions, and 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 that they equally benefit from the results. Moreover, fair representation will be sought in different consultative processes, and female experts will be recruited whenever possible. In addition, the GRF team will utilize the knowledge and experience of the Government of Sweden- supported and UNDP implemented Gender project to explore potential avenues for synergies, collaboration and expertise during the implementation phase.
Briefly describe in the space below how the project mainstreams sustainability and resilience

The sustainability of the project is a prerequisite to developing good governance practices and building a professional civil service. In other words, GRF will continue to work hand-in-hand with the Government in building the national capacity of state institutions to better manage public administration-related challenges.

Through a demand-driven, result-oriented, and on-the-job knowledge and skills transfer approach, the project will lay the foundation for sustainable results. GRF will respond to the needs and priorities identified by public institutions at the individual and organizational/institutional levels. Moreover, the project will create an environment that fosters sustainability, incorporating ownership, transparency, and accountability principles.

The sustainability of initiatives and the results will continue to be of the highest priority for UNDP in the GRF project as this criterion is one of the key determinants for selecting initiatives for both CDF and ODS modalities. Moreover, the sustainability of the deliverables will be considered during the Project Board Meetings while presenting the project achievements. Pertinently, the experience and lessons learned from previous interventions as well as UNDP good practices, in general, will feed into the sustainability strategy of the project's next phase. The approach effectively practiced by the GRF project from its very beginning has been to implement and maintain effective initiatives and systems that are continually responsive to stakeholders' needs. This has been accomplished by examining factors that can increase the sustainability of interventions and their results if addressed diligently through strategic planning.

Key risks that may jeopardize the sustainability of the next phase are as follows:

- Elections (municipal and parliamentary) could delay or even prevent implementation, and/or lead to personnel changes in partner agency leadership and subsequent priority changes.
- Lack of ownership and commitment from the national partners.
- Frequent changes in the senior management of implementing or beneficiary partner state institutions.
- Changes in the priority directions of GoG.
- Continued spread of COVID-19 and extension of corresponding restrictions; and
- Changes in the senior political leadership.

However, the GRF team will instill a high degree of ownership among the beneficiary agencies regarding the design, development, implementation, and sustainability of respective initiatives. By concentrating support on GoG's priority areas, continuing to provide demand-driven assistance, and implementing principles of ownership and cooperation, potential risks would be reduced.

Briefly describe in the space below how the project strengthens accountability to stakeholders

GRF intends to create an environment for multi-stakeholder collaboration, strengthen partnerships with key actors and implementing partners, stimulate experience sharing while at the same time expanding the capabilities of applying gender lens and giving impetus to the cooperation patterns where gender and inclusivity aspects are supported.

The Administration of the Government of Georgia (with its Strategic Planning and Coordination Unite and the Donor Coordination Unit (DCU)) will serve as the project's Implementing Partner to ensure the overall coordination of the processes and at the same time identify the most critical needs, gaps and challenges that should be addressed by GRF in good governance direction, including the environmental one. However, at the implementation level, the project will cooperate with the key state institution, such as the Parliament of Georgia, Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, Ministry of Education and Science, Ministry of Environmental Protection and Agriculture, Ministry of Economy and Sustainable Development, LEPL National Statistics Office of Georgia (Geostat), LEPL Civil Service Bureau of Georgia, LEPL National Center for Disease Control and Public Health, LEPL National Environmental Agency, LEPL Social Service Agency, and other central and local level public agencies. Furthermore, in some instances, the project will encourage engagement of the civil society organizations with extensive experience and a good reputation in the respective sector as well as the think tanks.

GRF will conduct the project board meetings on an annual basis with the participation of AoG, donor representatives, and beneficiary state institutions and CSOs to take stock of the ongoing work and evaluate progress towards the set objectives. During the previous phase of the GRF project, a close partnership has been built with other development partners (such as EU, UKAID, GIZ, USAID) and was engaged in the coordination meetings to update information about its activities. The project will continue engagement in the PAR Donor Coordination meetings organized by donor organizations on a rotation basis averagely once in two months, which supports both policy level communication/intervention and guarantees the complementarity of initiatives.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? Note: Complete SESP Attachment 1 before responding to Question 2.	QUESTION 3: What is the level of significance of the potential social and environmental risks? Note: Respond to Questions 4 and 5 below before proceeding to Question 5			QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High
Risk Description (broken down by event, cause, impact)	Impact and Likelihood (1-5)	Significance (Low, Moderate, Substantial, High)	Comments (optional)	Description of assessment and management measures for risks rated as Moderate, Substantial or High
Risk 1: No Risk Identified	I = L =			

QUESTION 4: What is the overall project risk categorization?

Low Risk	X
Moderate Risk	☐
Substantial Risk	☐
High Risk	☐

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)

Question only required for Moderate, Substantial and High Risk projects

			Status? (completed, planned)
Is assessment required? [check if "yes"]	☐		
if yes, indicate overall type and status		☐ Targeted assessment(s)	
		☐ ESIA (Environmental and Social Impact Assessment)	
		☐ SESA (Strategic Environmental and Social Assessment)	
Are management plans required? (check if "yes")	☐		
If yes, indicate overall type		☐ Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	

		Comments (not required)
	☐ ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
	☐ ESMF (Environmental and Social Management Framework)	
Based on identified risks, which Principles/Project-level Standards triggered?		
Overarching Principle: Leave No One Behind		
Human Rights	☐	
Gender Equality and Women's Empowerment	☐	
Accountability	☐	
1. Biodiversity Conservation and Sustainable Natural Resource Management	☐	
2. Climate Change and Disaster Risks	☐	
3. Community Health, Safety and Security	☐	
4. Cultural Heritage	☐	
5. Displacement and Resettlement	☐	
6. Indigenous Peoples	☐	
7. Labour and Working Conditions	☐	
8. Pollution Prevention and Resource Efficiency	☐	

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	Date	Description
QA Assessor: Gigi Bregadze, DG Team Leader		UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver: Anna Chernyshova, DRR		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair: Nick Beresford, RR		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.	
Overarching Principle: Leave No One Behind **Human Rights**	Answer (Yes/No)
P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g., during the stakeholder engagement process, grievance processes, public statements)?	No
P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	No
P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	No
Would the project potentially involve or lead to:	No
P.4 adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities?[27]	No
P.6 restrictions in availa bility, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women's Empowerment	
P.8 Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
Would the project potentially involve or lead to:	No
P.9 adverse impacts on gender equality and/or the situation of women and girls?	No
P.10 reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
P.11 limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
P.12 exacerbation of risks of gender-based violence? *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.*	No
Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below	
Accountability	
Would the project potentially involve or lead to:	
P.13 exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	No

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[27] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

P.14	grievances or objections from potentially affected stakeholders?	No
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No

Project-Level Standards	

Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	

Would the project potentially involve or lead to:	
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	No
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.12	handling or utilization of genetically modified organisms/living modified organisms?[28]	No
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[29]	No
1.14	adverse transboundary or global environmental concerns?	No

Standard 2: Climate Change and Disaster Risks	

Would the project potentially involve or lead to:	
2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	No
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	No
2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	No
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No

Standard 3: Community Health, Safety and Security	
Would the project potentially involve or lead to:	
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	No
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	No

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[28] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.

[29] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	No
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7	influx of project workers to project areas?	No
3.8	engagement of security personnel to protect facilities and property or to support project activities?	No
Standard 4: Cultural Heritage		
Would the project potentially involve or lead to:		
4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No
4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
Would the project potentially involve or lead to:		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No
5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	risk of forced evictions?[30]	No
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
Would the project potentially involve or lead to:		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to screening question 6.3 is "yes", then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk*	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by	No

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[30] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

	indigenous peoples?	
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above*	*No*
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	*No*
6.8	risks to the physical and cultural survival of indigenous peoples?	*No*
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? *Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.*	*No*
Standard 7: Labour and Working Conditions		
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	*No*
7.2	working conditions that may deny freedom of association and collective bargaining?	*No*
7.3	use of child labour?	*No*
7.4	use of forced labour?	*No*
7.5	discriminatory working conditions and/or lack of equal opportunity?	*No*
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	*No*
Standard 8: Pollution Prevention and Resource Efficiency		
Would the project potentially involve or lead to:		
8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	*No*
8.2	the generation of waste (both hazardous and non-hazardous)?	*No*
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	*No*
8.4	the use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention*	*No*
8.5	the application of pesticides that may have a negative effect on the environment or human health?	*No*
8.6	significant consumption of raw materials, energy, and/or water?	*No*

Letter of Agreement between UNDP and the Administration of Government of Georgia (AoG) for the Provision of Support Services

Dear Mr. Javelidze,

1.   Reference is made to consultations between officials of the Government of Georgia (hereinafter referred to as "Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant project document, as described below.

2.   The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.

3.   The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the project:
(a)   Identification and/or recruitment of project personnel;
(b)   Identification and facilitation of training activities;
(c)   Procurement of goods and services;

4.   The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a project, the annex to the project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.

5.   The relevant provisions of the *UNDP standard basic assistance agreement with Republic of Georgia* (the "SBAA") signed on 1-Jul-1994, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

6.   Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

7.   The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.

8.   The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9.   Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10.   If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,

DocuSigned by:

87B8354624D7437...

Signed on behalf of UNDP
Nick Beresford
Resident Representative

For the Government:

Revaz Javelidze
Deputy Head of Government Administration of Georgia

Date: 31/01/2022

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1.   Reference is made to consultations between the Administration of Government of Georgia, the institution designated by the Government of Georgia and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed Project "Governance Reform Fund - Phase IV" (Project # 00136398/output 00127317), *"the Project"*.

2.   In accordance with the provisions of the signed letter of agreement and the project document, the UNDP country office shall provide support services for the Project as described below.

3.   Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Amount and method of reimbursement of UNDP (where appropriate)
1. Payments, disbursements and other financial transactions	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List
2. Recruitment of staff, project personnel and consultants	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List
3. Procurement of services and goods, including disposal	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List
4. Organization of training activities, conferences and workshops, including fellowships	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List
5. Travel authorization, visa requests, ticketing, and travel arrangements	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List
6. Shipment, custom clearance, vehicle registration, and accreditation	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List
7. Supervision of project implementation, monitoring and assistance in project evaluations	2022-2024	Cost-recovery for ISS based on UNDP Universal Price List

4.   Description of functions and responsibilities of the parties involved:

UNDP will provide support services to Government as described in the paragraph 3 above in accordance with UNDP rules and procedures; it retains ultimate accountability for the effective implementation of the Project activities;

UNDP will be responsible for the provision of all Project inputs upon a formal request from Government. It will be responsible for administering resources in accordance with the specific objectives, and in keeping with the key principles of transparency, competitiveness, efficiency and economy. The financial management and accountability for the resources allocated, as well as other activities related to the execution of the Project activities will be undertaken under the direct supervision of the UNDP Country Office.

Government will review and clear Annual Work Plans (AWP) and annual progress achieved through Annual Project Reviews based on the approved annual work plans and sign Combined Delivery Reports (CDRs) by the end of each quarter.