United Nations Development Programme

Country: Georgia

Governance Reform Fund (GRF)

Project Document

Expected UN Partnership for Sustainable Development (UNPSD) Outcome #1: By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels.

Expected UNDP Country Program Document (CPD) Output 1.1: By 2020, the Government has stronger capacities to formulate, implement and monitor policies in a participatory and evidence-based manner for improved service delivery with equal access for all.

Expected Output(s): The capacity of the Government of Georgia to implement the national development agenda is strengthened through increased efficiency of the public administration system.

Implementing partner: United Nations Development Programme (UNDP)

Other Partners: Office of the Prime Minister, Administration of the President of Georgia, the Parliament of Georgia, Public Agencies

Brief Description

The goal of the Governance Reform Fund (GRF) project is to support the development of an efficient public administration system with a stronger capacity of the government to implement a national development agenda that will strengthen the rule of law and improve conditions for democratic accountability.

The achievement of the above goal will be ensured through (1) Capacity Development Fund (CDF) - sub-project initiatives increasingly leading to transformational change in the institutions; and (2) On-demand (Consultancy) Services (ODS) - targeted short-term policy advice. Ministries and public agencies will assume an increasing role in identifying needs, developing intervention logic, and implementing sub-project initiatives, thus fostering greater national ownership and increased sustainability of project results.

| UNDP Programme Period: 2016-2020 as per Country Program Document (CPD) | Total Budget: USD 4,246,636 (TBD at the date of transfer) |
| CPD Programme Component: Democratic Governance | Total Allocated resources: Sida: 38,500,000 SEK |
| Project title: Governance Reform Fund | UNDP: USD 20,000 |
| Project start date: 01 November 2015 | |
**SITUATION ANALYSIS**

**GENERAL BACKGROUND**

Since 2003, Georgia has embarked on the complex and demanding road of transition to a full-fledged democracy and free market economy. The country has achieved tremendous progress in a difficult regional and geopolitical environment, and governance indicators have increased across the board within the last decade. Nevertheless, many challenges remain to be addressed.

Voice and accountability, a World Bank indicator measuring the extent to which citizens participate in public governance, has improved from 44.7 in 2004 to 54.4 in 2013, yet civic and political participation remain uneven across different thematic issues and strata of the population. Government effectiveness, another World Bank indicator measuring the quality of public service delivery, policy formulation, and the civil service, has dramatically increased over the same period from 36.6 to 69.4. However, weaknesses persist in evidence-based policy formulation as well as strategic planning, uneven quality of public service delivery, and difficulties in retaining the institutional capacity of public agencies.¹

Economically, Georgia has struggled in recent years. Difficulties in the external economic environment have led to a devaluation of the national currency and a significant drop in remittances from Georgians working abroad, which still constitute an important income supplement for many Georgian families.² Economic hardship therefore is likely to persist or grow worse for many Georgians over the medium term: average monthly salaries stood at GEL 773 in 2013 (just under EUR 290 at current exchange rates), 9.7 per cent of Georgians were considered to live below the poverty threshold in the same year, and the country-wide unemployment rate amounted to almost 15 per cent.³ In April, the International Monetary Fund predicted growth to reach only two percent this year, down from five percent originally predicted by the Government of Georgia.⁴

Politically, Georgia has been a country in transition over the past three years, with parliamentary elections in 2012 and presidential elections in 2013 that led to a peaceful change of power. In parallel, 2012-2013 has seen a sequence of wide-ranging constitutional changes, moving the country from a presidential towards a parliamentary system of governance with correspondingly increased powers of the legislature and a Prime Minister. All these changes have put considerable strain and additional demands on the country’s administrative system and the civil service. They are currently accompanied by the deliberations of the State Commission for Constitutional Reform and the introduction of the new Civil Service Reform principles based on the relevant Civil Service Reform Concept which was adopted by the Parliament on 19 November 2014. The law of Georgia on Civil Service has been submitted to the Parliament for approval in July 2015 and was adopted with a second hearing on 18 September 2015.

Since its election in 2012, the new Government of Georgia has aimed to implement a more human-centred approach to development. Notable success has been achieved in improving social protection, particularly through the introduction of a universal healthcare programme and the reform of social assistance programmes. Given the less optimistic economic growth and public revenue forecasts at least for the next two years, it remains to be seen whether the Government will be able to improve social protection standards for the population, the more so a population whose living standards will remain vulnerable in the face of continued economic hardship.

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¹ All data available at [http://www.govindicators.org](http://www.govindicators.org)
² According to World Bank figures, remittances amounted to 12.1% of Georgia’s GDP in 2013, the latest year for which data is available. See [http://data.worldbank.org](http://data.worldbank.org).
³ All figures available from [http://www.geostat.ge](http://www.geostat.ge). Figures need to be interpreted with caution: real unemployment is estimated by most experts to be significantly higher than 15 per cent, albeit masked by a low propensity of the unemployed to register officially and by classifying individuals in rural areas that own small plots of land as self-employed farmers.
⁴ Cf. [http://www.imf.org](http://www.imf.org)
In addition, Georgia has maintained and solidified its position as one of the frontrunners of the European Union’s Eastern Partnership initiative. The negotiation of an Association Agreement (AA), also including agreement on the establishment of a Deep and Comprehensive Free Trade Area (DCFTA) with the European Union (EU), was completed and the agreement signed in June 2014. Approximately 80 percent of the AA came into force in September 2014, and the Government has drawn up Action Plans to facilitate the adoption of hundreds of EU directives to further align itself with the EU’s *acquis communautaire* and integrate into the EU internal market. Many of these directives concern the free trade area, but their implementation will entail a comprehensive reform program affecting a variety of governance areas covering economic policy making, rule of law, democratization and respect of human rights. Georgia is also making rapid progress on the Visa Liberalization Action Plan (VLAP) with the EU, requiring significant changes in the legal provisions regarding migration, visa and residency policies as well as readmission.5

Work toward fulfilling this range of agreements has been reflected in a broad range of reforms undertaken by the Government of Georgia in recent years. A litmus test for the Government’s European integration strategy will be, however, genuinely adopting European values of transparency, inclusiveness, pluralism and non-discrimination within the public administration and society at large instead of a mere technical approximation agenda focusing on reforming structures and mechanisms.

The process of AA implementation makes Georgia eligible for sustained and increased international support from all major donors to support the wide-ranging reform efforts that will allow the country to converge to European standards of governance and market economy. Georgia, with international assistance, continues implementation of the provisions of the European Neighbourhood Policy Action Plan (ENP AP) as it also starts to apply measures detailed in its AA Action Plan that will gradually supersede the ENP AP. The country is actively engaged in dialogue with EU institutions about its European integration agenda, including through consultations regarding the review and reform of the European Neighbourhood Policy as announced by the High Representative for Foreign Affairs and Security Policy Federica Mogherini in March 2015.6

In its continued effort to streamline the 2030 UN Sustainable Development Agenda, Georgia also positioned itself as a frontrunner in landing UN Sustainable Development Goals (SDGs) at the national and sub-national levels. In 2015, it has undertaken active measures to adopt all 17 SDGs as the country’s priority and nationalized 98 targets and 204 indicators. Recognizing that successful implementation requires the involvement of highest level of political leadership, an SDG Council was institutionalized with its four working groups on Democratic Governance, Sustainable Energy & Environment Protection, Social Inclusion and Economic Development. This ensures continuous multi-stakeholder engagement and participation and, as a result, a considerable effort has already been made to incorporate SDG targets into existing and prospective National Strategies and Action Plans.

**PUBLIC ADMINISTRATION REFORM (PAR)**

One major reform currently being undertaken by the Government of Georgia is a revitalization of its system of public administration, making it more transparent, effective and efficient. The country’s transition to a parliamentary democracy has been accompanied by a reform of the government administration based on a series of recommendations produced by a joint the EU and Organisation for Economic Co-operation and Development (OECD) initiative, “Support for Improvement in Governance and Management”.7 Acknowledging the importance of a well-functioning state and its backbone, effective public administration, in 2013 the Administration of the Government of Georgia (AoG) initiated the process of

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5 Office of the State Minister of Georgia on European and Euro-Atlantic Integration: Georgia’s Progress Report on Implementation of the ENP Action Plan and the EaP Roadmaps, October 2014

6 In March 2015 the European Commission launched a review of the principles on which the policy is based as well as its scope and how its instruments should be used. The consultation [1] follows four priorities: differentiation; focus; flexibility; ownership and visibility. A Communication setting out proposals for the future direction of the ENP will follow in autumn. http://ec.europa.eu/enlargement/neighbourhood/consultation/index_en.htm

Public Administration Reform (PAR) with the support of the EU and OECD/SIGMA. Reaffirmation of democratic values, citizenship and service in the public interest has been established as the normative foundation of the PAR. The Government Planning and Innovations Unit within the AoG has led a comprehensive process of development of the “Public Administration Reform (PAR) Roadmap 2020”, outlining the major directions of the ongoing and upcoming reforms in the public administration system. The Roadmap addresses six major policy areas: policy development and cooperation, human resource management, accountability, service delivery, public finance management, and local self-government. The “Socio-Economic Development Strategy of Georgia – Georgia 2020” and the Basic Data and Directions of Georgia (BDD)9 set out a vision for an effective public management that will be delivered through the improvement of institutional mechanisms for public policy management and enhancement of the links with the state budget. BDD also stipulates a Civil Service Reform that will create a model for civil servants’ recruitment, promotion, and dismissal based on merit and independent from political influence.

These PAR efforts are in line with the citizen preferences revealed in the Post-2015 “My World” survey9, where the highest priorities consistently were attributed to an honest and responsive government and social issues. Moreover, reforms are vital to the further and enhanced integration of Georgia within Euro-Atlantic structures, as indicated above, and to develop and maintain capacity for the harmonization of legislation and administrative practice. The Government’s PAR Roadmap 2015-2020 notes that public confidence in the government is directly related to its capacity of providing effective, accessible, coordinated, and consistent service delivery; and that in the context of globalization and regional integration, public administrations need to be increasingly flexible and able to respond in a quick and targeted fashion to changing contexts and emerging challenges.10

Georgia has made considerable progress over the last decade in PAR, starting from a very low baseline and managing to achieve rapid modernization in several key areas. Increasingly, the administration has shifted toward long-term strategic approaches and evidence-based decision-making. Highly visible success has been achieved in the fight again corruption, particularly in reducing and eradicating irregular payments. Significant advances have been made in making government services more accessible through the system of Public Service Halls – “one-stop shops” for public service delivery – and some progress in e-governance.11

However, challenges still remain. Staff turnover and the failure to implement a consistently merit-based system of recruitment and career development in the civil service is a significant problem that makes it difficult to translate existing reforms into sustainable results. Similarly, civil servants do not always have clear job descriptions and performance targets. This not only lessens their own effectiveness in carrying out their duties, but also makes it difficult for cooperation partners to properly target capacity building efforts.12

Challenges also persist in identifying the appropriate balance of power across all three branches of government and in improving coordination between legislative and executive branches in policy-making. Capacities still need to be built further in ensuring that decision-making is consistently evidence-based, inclusive, and gender-sensitive.

In all of these areas, international assistance in both financial and institutional terms has been recognized as effective and vitally important by the Government. UNDP’s global experience and effective knowledge management coupled with almost two decades of presence in the country, active involvement in public administration reform, and new partnerships for the adoption of technological and user-centred public sector innovations provides the organization with relevant comparative advantages in this regard. As a neutral and credible partner to the government, both at central and local levels, as well as to the legislative

9  http://vote.myworld2015.org/
11 http://www.freedomhouse.org/report/nations-transit/2013/georgia#.U00ZVPmulXY;
http://www.idfi.ge/?cat=researches&topic=119&lang=en
branch and the civil society, UNDP is able to help national authorities to actually enforce the reform, entailing emphasis on sustainable development and human-rights based approaches, equitable service delivery and poverty reduction, gender-sensitivity, environmental considerations, etc.

Over the course of its presence in the country, UNDP has worked with almost all ministries and other agencies of public administration to equip them with appropriate institutional, organizational and human capacities for effective governance. The organization has assisted a variety of public agencies at different levels of governance to define their mission and functions, develop policies and strategies specifically aimed at capacity building, enhance staff knowledge and skills, and introduce innovations. UNDP follows a demand and partnership-driven approach, facilitating reforms rather than implementing them directly, and thus promoting national ownership of reforms.

**Current Context**

The ongoing internal reforms of the public administration are closely linked to and partially preconditions for Georgia’s Euro-Atlantic integration strategy. These reforms place significant pressure on the administrative system itself and the individuals making up the civil service to build capacity and implement changes while at the same time discharging public services in an efficient, equitable, and consistent manner.

Within the framework of the AA, the government has committed itself to addressing a wide range of issues, with a priority focus on justice system, decentralization, civil service, media, as well as economic, social, education, health and agriculture sectors. The programs and Action Plans adopted by the government open up space for advocating and supporting implementation of reforms that are designed and implemented in a participatory, inclusive, and gender-sensitive manner, guaranteeing the respect of human rights and fundamental freedoms.

UNDP perceives this as a unique opportunity to build on its long-term engagement in supporting the government’s reform agenda in a number of key areas that will contribute to European integration. With the support of Sida, UNDP has provided assistance to a variety of public agencies in building capacity to enable further rapprochement to European values and principles in the public administration. During this phase, it has been revealed that the public administration is increasingly taking a long-term strategic approach and shifting to evidence-based policy making. These changes are commendable but will require further support to become firmly embedded in institutional practice.

In this light, a new phase of the GRF project is envisaged to be undertaken for six years during the period of 2015-2021. The GRF is viewed as a flexible instrument of support that can be accessed relatively rapidly for highly targeted interventions in priority reform areas, while still safeguarding national ownership of reforms. This generally contributes to sustained commitment and active engagement of the national counterparts as well as to the sustainability of results despite the usually short-term nature of intervention. This phase will place particular emphasis on policy and capacity development, institution building in the areas that are aligned to the AA agenda to respond to the complexity of government needs and priorities.

**Strategy**

The goal of the GRF project in the proposed phase is to support the development of an efficient public administration system with a stronger capacity of the government to implement a national development agenda that will strengthen the rule of law and improve conditions for democratic accountability.

In order to achieve this goal, the project will channel support to capacity-development initiatives in priority areas of public administration reform, public service delivery, government accountability, human rights,
rule of law, gender equality, and environmental protection through its two well-tested mechanisms, 1) 
Capacity Development Fund (CDF) and 2) On-demand [Consultancy] Services (ODS):

- **Capacity Development Fund (CDF):** CDF initiatives would address critical and immediate capacity 
development needs of public sector agencies. The project will continue to place more emphasis on 
the initiatives with mid- to longer-term implications. This implies preparing a conceptual 
background for the launch of longer-term initiatives in line with national needs and priorities that 
would a shift from short-term activity based operation to longer-term planning with a strategic 
vision in the supported agencies.

- **On-Demand [Consultancy] Services (ODS):** Such initiatives imply on-demand provision of a 
combination of national and international advisory services and technical expertise to the public 
agencies to develop their capacity for policy implementation and advancement of reform agenda.

The project has been designed to contribute to the achievement of the expected UNPSD outcome #1: 
meeting expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability 
through the creation of stronger systems of democratic governance at all levels. This overarching goal 
has been translated into the UNDP Country Program Document (CPD) projected output 1.1, “By 2020, the 
Government has stronger capacities to formulate, implement and monitor policies in a participatory and 
evidence-based manner for improved service delivery with equal access for all.” Through targeted capacity 
building and support to policy and service delivery reforms, the proposed project will directly contribute 
to this planned output.

This phase of the project builds on the previous achievements and lessons learned, particularly:

- Continuous, sustained intervention is a key requirement of successful capacity development for public 
administration. Individual initiatives need to be linked to and/or complement each other to be effective. 
Coordination with the Prime Minister’s Office on prioritization and possible synergies with other donors’ 
initiatives are crucial to maximizing and sustaining impact.

- National ownership and continuous commitment of high-level management in the beneficiary agencies 
are essential to impact and sustainability of individual interventions. Ownership and commitment are 
best fostered through greater responsibility of national counterparts not only in identifying institutional 
needs but also in designing, developing and implementing interventions.

- Recommendations of high-profile international experts can improve effectiveness, particularly when 
efficient cooperation with national counterparts ensures that the country’s specific needs are taken into 
account.

- While continued focus on democratic development is important, attention needs to be paid increasingly 
to questions of efficiency in public service delivery.

Taking into account that capacities for the implementation of reforms have significantly increased within 
the public administration since the CDF and ODS instruments were first introduced, the new phase of the 
GRF, proposed to be implemented in the period of November 2015 to December 2021, will switch to a new 
level of support. The maximum funding for CDF sub-projects will be set at USD 150,000 and 
implementation periods will be set at up to 18 months.

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

Priority will be given to sub-projects which are implemented directly by the beneficiary institutions, 
ensuring ownership and greater sustainability of the initiatives. As the agencies begin to take the lead in 
these sub-projects, UNDP will increasingly transition to a coaching and M&E role.
As part of this role, UNDP will seek to foster connections and experience sharing between the Government of Georgia and external partners, particularly those who have distinguished themselves as successful international innovators. UNDP will also coordinate with the Administration of the Government to facilitate the prioritization of donor support measures to PAR across line ministries and public agencies.

In addition, the GRF Capacity Assessment and Evaluation Specialist will be actively engaged in all stages of the interventions to ensure that meaningful, measurable and realistic indicators and means of verification are developed at the outset of each initiative (for both mechanisms). Wherever possible, UNDP will exchange information and coordinate with other stakeholders involved in the PAR process in Georgia.

IDENTIFYING AND SELECTING CAPACITY DEVELOPMENT RESPONSE TO ADVANCE PUBLIC SECTOR REFORMS

Quality of public sector decision-making and public service delivery remain persistent challenges in Georgia. This is a result of the lack of a relevant legislative framework, and of deficiencies in civil service staff capacities and training. Improvement in these areas that is visible to citizens will require the refinement of public service delivery designs and a more customer and service-oriented approach by civil servants.

In addition, capacity building initiatives need to take into account the above-mentioned shift toward long-term strategic planning and evidence-based policy making that has been initiated but not uniformly implemented across the public administration system.

Capacity development response refers to an integrated set of deliberate and sequenced actions that would address reform priorities and bottlenecks identified based on the existing capacities and needs of the supported institutions. These actions are identified and prioritized by the GRF team, which includes a Capacity Assessment and Evaluation Specialist and relevant stakeholders. The counterparts are consulted on linkages between capacity assets and needs, and the formulation of capacity development response proposals.

In recent years, demand for GRF support has been increasing. In the previous phase of the project, the GRF was approached up to ten times with requests that could not be accommodated either due to limited funding or a lack of clear alignment between the request and GRF priorities. Seven of the requests could have been successfully developed to satisfy GRF criteria, but a lack of funding or project time restraints prevented their launch. These requests came both from agencies that had already been supported by the GRF, and from those that wished to form new partnerships, including the Ministry of Health, Labour and Social Affairs, the Civil Service Bureau, the Administration of the Government, and the Ministry of Environment and Resource Protection.

The increasing number of requests received by the GRF demonstrates the project’s visibility among ministries. It also demonstrates the Government’s recognition of the need for capacity development in the context of Georgia’s EU integration process.

Considering the increasing flow of requests, and also considering GRF’s transition into a primarily coaching and mentoring role in the upcoming proposed phase, the project seeks to take a more systematic approach to selecting potential capacity-development responses.

Capacity-development fund initiatives will be required to satisfy the following substantive and technical requirements:
✓ **Strategic vision.** The initiative is strategically relevant to good governance reform and supports the long-term capacity development of the government. Standalone activities not contributing to longer-term outcomes will not be considered.

✓ **Alignment with national priorities.** The initiative is in line with national priorities as reflected in official national strategic documents. Priority will be given to those initiatives in direct alignment with the Sustainable Development Goals, Open Government Partnership, EU Association Agreement or DCFTA.

✓ **Pertinence to GRF priorities.** The initiative makes a contribution to the empowerment of citizens, resilience of the national government, or transparency and accountability of institutions. The initiative should relate to a GRF priority area including public administration reform, public service delivery, government accountability, human rights, rule of law, gender equality, or environmental protection.

✓ **Sustainability.** A sustainability plan has been submitted by the beneficiary agency, which addresses risk factors and presents a strategy for ensuring the sustained impact of the initiative.

✓ **Ownership and commitment of senior officials.** Senior officials of the beneficiary agency have committed their support for the initiative, and the agency has demonstrated ownership by devoting human resources to the implementation process.

✓ **Gender mainstreaming.** The initiative meaningfully incorporates gender mainstreaming by considering gender perspectives in planned actions at all levels, including legislation, public services, or other programs. Men’s and women’s concerns and experiences are made an integral dimension of the design, implementation, monitoring and evaluation of the initiative so that women and men benefit equally.

In addition to the above, meeting the following non-obligatory criteria will be an asset:

✓ **Engagement with the public.** The initiative contributes to increasing public voice and participation including during design, implementation, monitoring and evaluation.

✓ **Regional/sub-national benefit.** The initiative has an impact on citizens across the entire country.

✓ **Innovation.** The initiative takes a modern, innovative approach to improving the effectiveness and accessibility of government institutions.

✓ **Financial resources.** Financial resources have been devoted to the initiatives. This could include cost-sharing agreements with beneficiary agencies.

**IMPLEMENTING AND MONITORING A CAPACITY DEVELOPMENT RESPONSE**

A capacity development response must be implemented in the context of the objectives and requirements of the sub-project in which it is embedded. Indicators for monitoring the progress, which include consideration of both capacity and performance improvements, will be agreed upon at this stage and the respective monitoring framework will be applied on a regular basis.

The GRF project team will guide the process as presented below:

- Coordinate the implementation of a capacity development response;
- Develop a monitoring framework in agreement with target counterparts;
- Provide advisory services to review, suggest appropriate monitoring indicators for capacity development, and conduct monitoring;
- Monitor the sub-project implementation against pre-set indicators and
- Provide ongoing analysis on the gender equality impact of the capacity development response.

**EVALUATE CAPACITY DEVELOPMENT**
Having a reliable baseline with which to compare results is an important and necessary part of the evaluation process, allowing for greater measurability and objectivity. 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. Using the indicators developed during the baseline for measuring project impact, the evaluation process will take place as follows:

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

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

**Sustainability**

Capacity building of public sector reforms of Georgia is an investment in the future. The trust of citizens, and thus the stability of government institutions, is closely linked to policy making and service delivery capacity – as is a consistent and sustained process of further Euro-Atlantic integration. GRF intervention has been continuously supporting key institutions in strengthening these capacities. Each initiative has been implemented in a way that aims to maximize the sustainability of results.

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

These factors include:

- **Alignment of the program with stakeholder needs:** The project objective is linked to the fulfilment of national and/or agency’s strategic priorities. Reforms must meet the needs of intended users and other stakeholders if they are to be sustained. The intervention logic therefore is to support initiatives that are demand-driven, reducing complexity while increasing more compatibility. To reap the benefits of long-term reform sustainability, focus will be placed on activities that contribute to institutional continuity, such as supporting long-term planning and strategy development. GRF sub-projects will continue to develop based on the above considerations.
- **Ownership and partnership among stakeholders:** It has been shown that ownership among stakeholders is vital for an initiative’s sustainability. Establishing and maintaining positive relationships between stakeholders is a key part of this, as initiatives are to be developed by agency
staff with the active participation of its management. Collaboration between program developers and implementers and supportive networks among implementers is essential.

- **Comprehensive need assessments:** This involves the assessment of the particular needs of the stakeholder in question and analysing those needs against the stated objectives of the program. This may involve undertaking a diagnostic check, benchmarking and a gap analysis to establish a baseline against which success will later be measured. A needs assessment also serves to identify the critical components of the proposed capacity building and how they might be prioritized. These become the key benchmarks that are monitored and evaluated through the project life cycle and at its conclusion.

- **Quality of program implementation:** Commitment to the quality of program implementation via process, fidelity, and outcome evaluation helps sustain innovation and ensure commitment by adopters.

- **Measurement monitoring and evaluation:** Agreement on measurement and evaluation processes, including key project benchmarks and targets, lends transparency to the capacity building program and should be settled very early in the project initiation phase. Early assessment of needs provides a baseline against which improvements can be measured. This exercise will take into account the indicator model - expected to be included in the latest UNSPD/CPD framework, focusing on governance indicators developed and measured by the World Bank In the context of this project, quantitative indicators will be most frequently used, although qualitative indicators are crucial in measuring behavioural change and will thus complement quantitative measurements where possible.

The parliamentary elections of October 2020 falling within the project period may be viewed as a risk of losing newly cultivated skills of public officials as well as disrupting ongoing initiatives. However, those risks seem to be moderate based on the past GRF record. The probability of the relevant risk is medium, as UNDP will take preventative steps in cooperation with the beneficiary agencies to ensure sustained commitment by a new leadership and smooth implementation processes.

This documentation is crucial to maintaining the improved capacity of government agencies and to the preservation of public administration structures created with the assistance of the GRF.

Successful capacity building of any kind requires a strategic approach with continual benchmarking of sustainability and utilizing the key elements discussed above. It is important that stakeholders considering a capacity building program are committed to the long-term improvement of their broader processes and not just short-term solutions to deal with the issue of the moment. A long-term focus provides the foundation for sustainability and provides equivalent benefits to the government and to citizens. This is in line with UNDP’s efforts to increasingly foster medium and longer-term interventions through sub-projects, ideally sub-projects that are inherently complimentary and build on each other. In any case, each individual action/initiative will have its individual sustainability strategy embedded that will explain in details the risks and opportunities for sustaining the results of the support.

**Gender Equality and Women’s Empowerment**

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

Georgia has been making progress towards gender equality and the empowerment of women: the country has ratified the Istanbul Convention on preventing and combating violence against women and domestic violence. In the field of gender equality in the workplace, the new Labour Code has somewhat improved the protection of pregnant employees, however, extending maternity leave benefits and duration is still only being discussed. Georgia also has made good progress in mainstreaming gender issues in the national

However, at the same time, a string of recent grievous assaults on women by their spouses and relatives have highlighted that domestic abuse and violence against women is a recurring problem that will require sustained focus to raise awareness among society, policy-makers, and law enforcement agencies as well as to combat discriminatory and abusive gender stereotyping starting from childhood. Unequal power structures perpetuate skewed gender relations that lead to harassment, abuse, and violence against women; they therefore need to be addressed.

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

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

**MANAGEMENT ARRANGEMENTS**

The project will be implemented under the Direct Implementation Modality in accordance with UNDP rules and regulations.

UNDP will organize a Project Board for the organization’s internal project management. The Project Board will gather representatives of UNDP and the donor to inform about project progress, key bottlenecks and challenges encountered, and the next course of planned activities. Strategic direction of the GRF project as a whole will be reviewed and, if necessary, modified during the Project Board meetings. The meetings will be held regularly in intervals of about six to eight months.

UNDP will assume overall responsibility for the implementation of the GRF project, and will assign a Project Coordination Unit (PCU) with the 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 work toward the achievement of the project’s objective. Specifically, the PCU will consist of a Project Manager, a Finance/Procurement Associate, a Capacity Assessment and Evaluation Specialist, Environmental Specialist and a Communications Specialist. 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 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;
• Ensuring that disbursement of funds, procurement, and contracting of personnel is in line with UNDP rules and regulations.

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

The Prime Minister’s Office/ Administration of the Government of Georgia, Parliament, and the Office of the President will be the principal national partners of the GRF, but other line ministries and public agencies may be project partners where required and appropriate. Coordination and information exchange will be sought with a wide range of stakeholders, including in civil society, through the planned establishment of a project monitoring board.

**MONITORING, EVALUATION AND REPORTING**

By utilizing a well-planned monitoring system, the project will be effectively managed from the beginning to the end in order to assure sound implementation of the project.

Monitoring and Evaluation (M&E) of the project represents an integral part of the project activities. The responsibility for the monitoring of the project’s implementation will rest both with the PCU and UNDP Programme staff.

For monitoring purposes, the GRF Capacity Assessment and Evaluation Specialist will undertake regular consultations with the project team, site visits, team discussions, discussions with various stakeholders and desk-review of the project products, financial and narrative reports and track ongoing process by which stakeholders obtain regular feedback on the progress being made towards achieving their goals and objectives.

An M&E planning workshop will be provided at the beginning of each sub-project to ensure the sound management of the 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 results to be achieved, how to effectively implement activities and what to focus on when planning an activity implementation. The monitoring will cover both quantitative and qualitative data disaggregated by gender. Lessons learned from the previous year will be collected by the Capacity Assessment and Evaluation Specialist to better plan activities for the following periods.

Reporting responsibility will primarily rest with the GRF PCU. The reporting will be conducted across M&E indicators and targets set at the beginning of the project as well as individual sub-projects in consultation with the project stakeholders. Quality management criteria for each sub-project will be identified to evaluate progress in implementation. The reports will demonstrate progress towards results, factors contributing to or impeding achievement of results and lessons learnt, as well as the financial status. The below reports will be produced:

- Semi-annual progress reports will be prepared by the project staff for UNDP attention and reviewed/approved by the respective Democratic Governance Team Leader. Semi-annual and annual reports will be used by the management team to assess progress and impact at regular project review meetings. In addition, semi-annual reflection exercises will be held at which project staff and stakeholders will provide qualitative feedback on the progress and impact of the action, and will discuss any changes in the operating environment, such as political or economic changes in the area, etc. It has been found that
these forums are most useful as a means of tracking the progress of the cross-cutting themes of the project (gender equity, inclusiveness, human rights etc.) and allowing staff time to consider the impact and efficiency of their everyday work in reaching project objectives.

The **Annual Project Progress Report** will cover a 12-month period of project implementation and will be provided to Sida within two months after completion of the respective annum for review and approval. The progress report will reflect progress towards results, factors contributing to or impeding achievement of results, lessons learned, and financial status.

The **Final Report** will be prepared by the end of the project period and will be submitted to the donor no later than six months after 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 for avoiding key problems in future projects.
# Results and Resources Framework and Annual Work Plan

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

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

**Partnership Strategy:** The project will be implemented through direct implementation modality.

**Project title and ID (ATLAS Award ID):** Governance Reform Fund, (Award ID - TBI)

<table>
<thead>
<tr>
<th>INTENDED OUTPUTS</th>
<th>OUTPUT TARGETS FOR 2015-2021</th>
<th>INDICATIVE ACTIVITIES</th>
<th>TIMEFRAME</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output</strong></td>
<td></td>
<td><strong>Activity 1.</strong> Identifying and selecting Capacity Development Response to advance public sector reforms.</td>
<td>Nov 2015 - Dec 2021</td>
</tr>
<tr>
<td>The capacity of the Government of Georgia to implement the national development agenda is strengthened through increased efficiency of the public administration system.</td>
<td></td>
<td><strong>Actions:</strong></td>
<td>X</td>
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<tr>
<td>Baseline:</td>
<td></td>
<td>– Individual consultations with partner agencies;</td>
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<tr>
<td>Georgia has made considerable progress in making its public administration system more effective, efficient, transparent, and citizen-friendly. International partners and donors have supported the Government of Georgia in these efforts. However, challenges persist in the consistent implementation of evidence-based decision making, policy formulation, long-term strategy development, as well as the retention of institutional capacity. In addition, comprehensive internal reforms and the requirements of implementing the Association Agreement/ DCFTA signed</td>
<td>– Determination of a baseline for each initiative;</td>
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<td>– Hold Project Review meetings for GRF initiatives;</td>
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<td></td>
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<td>– Work with national agencies to design potential sub-projects including preparing and signing agreements;</td>
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<td>– Identification of priority areas for provision of on-demand consultancies;</td>
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<td>– Development of ToRs for the assignments;</td>
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with the EU increase transformational pressures on the system.

**Indicators:**

1. Number of beneficiary organizations that have received GRF capacity development assistance
2. 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)
3. Percentage of beneficiary agencies reporting availability of improved systems, skills sets and capacity as a result of intervention
4. Percentage of beneficiary organizations that assess the on-demand consultancy as relevant and appropriate (effective, efficient, timely and needs-based) activity
5. Number of consultancy recommendations implemented, or carried further by the government
6. Gender perspectives appropriately addressed in initiatives
7. Agenda 2030 mainstreamed in GRF-supported initiatives

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<tr>
<td>1.1. At least 15 public agencies have received institutional support from GRF</td>
<td>2.1. 70% of the staff members of beneficiary organizations provide positive feedback regarding the process of design and implementation of the sub-projects</td>
<td>Activity 2. Implementing and monitoring a Capacity Development Response</td>
</tr>
<tr>
<td>1.2. Requested initiatives facilitate continuous/sustainable capacity development of the agencies and satisfy at least 75% of GRF evaluation criteria</td>
<td>3.1. 70% of beneficiary agencies report availability of improved systems, skills sets and capacity as a result of intervention</td>
<td>Actions:</td>
</tr>
<tr>
<td>2. Positive feedback by senior management of beneficiary organizations on the outcomes of sub-projects</td>
<td>3.2. Positive feedback by senior management of beneficiary organizations on the outcomes of sub-projects</td>
<td>- Coordination of sub-projects' launch and implementation;</td>
</tr>
<tr>
<td>4.1. At least 80% of the consultancy products are evaluated as high-quality by senior management and staff</td>
<td></td>
<td>- Train and coach beneficiary agencies in developing Monitoring and Evaluation system;</td>
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<td>- Regular reporting (as determined by each sub-project document) on progress within sub-projects</td>
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<td></td>
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<td>- Implementation of ODS consultancies;</td>
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<td></td>
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<td>- Monitoring and reporting of results;</td>
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<tr>
<td></td>
<td><strong>members of the beneficiary organizations</strong></td>
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<tr>
<td>5.1.</td>
<td>At least 25% of recommendations implemented by agencies in the short-term</td>
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<td>5.2.</td>
<td>At least 40% of consultancies create background for policy implementation and/or stimulus for further reforms</td>
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<td>6.1.</td>
<td>Men and women of different target groups benefit equally from the results achieved through GRF interventions</td>
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<td>7.1.</td>
<td>Results achieved through GRF interventions contribute to the implementation of nationalized SDGs</td>
<td>Activity 3. Evaluate Capacity Development</td>
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<td><strong>Actions:</strong></td>
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<tr>
<td></td>
<td>− Coordination/implementation of CD cycle;</td>
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<td>− Regular reporting to UNDP/donor;</td>
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<td></td>
<td>− Developing individual monitoring and evaluation frameworks for each sub-project;</td>
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<tr>
<td></td>
<td>− Monitoring and evaluation of sub-project implementation;</td>
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<td>− Participation in DG portfolio and GRF strategy development process;</td>
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<td></td>
<td>− Holding Project Review meeting on results /lessons learned from current phase and further strategy of GRF.</td>
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<td></td>
<td>X</td>
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