Public Administration Reform

Action Plan 2019-2020
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Introduction

Under the challenges to democratic governance in developing countries, the need for Public Administration Reform (hereinafter - reform) is increasing. The reform is particularly important for the Eastern Partnership countries with a high priority to ensure effective and efficient public administration.

A well-functioning public administration, along with the rule of law and economic governance, is one of the fundamental preconditions for joining the European Union. Public administration reform is based on the principles\(^1\) of the EU public administration model and covers **5 main directions as well as 1 additional direction in accordance with Georgian context**:

- Policy Development and Coordination;
- Civils Service and Human Resource Management;
- Accountability;
- Public Service Delivery;
- Public Finance Management;
- Increasing capacity of local self-government.

Successful implementation of public administration reform plays a fundamental role in Georgia's accession process in the EU. According to the Georgia-EU Association Agreement,\(^2\) the country should implement in-depth reforms in public administration and civil service. Consequently, to establish a transparent, accountable and efficient public administration system, the Government of Georgia launched the Public Administration Reform in 2015.

With the assistance of the experts of the EU and the Support for Improvement in Governance and Management Programme of the Organization for Economic Co-operation and Development (OECD/SIGMA) the challenges in public administration have been analyzed and as a result of relevant findings, the Public Administration Reform Roadmap 2020\(^3\) (hereinafter – Roadmap) was developed. Specific policy objectives are prescribed in the Roadmap to ensure achievement of the Reform goals. For the purpose of implementation of the Roadmap the Action Plan 2015-2016 and later, the Action Plan for 2017-2018 were developed.

The present document outlines the third, 2019-2020 Action Plan (hereinafter- Action Plan) and describes the following: the reform implementation process in the country, elaboration of a new Action Plan and methodology, as well as the objectives and expected outcomes for each direction. The full version of the Action Plan is available in Appendix 1.

**Coordination of public administration reform in Georgia**

In 2015 the Administration of the Government of Georgia was entrusted with the leadership and coordination of the Reform at the highest political level; a public agency responsible for each direction of the reform has been identified.

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1. Principles of EU public governance
2. ASSOCIATION AGREEMENT between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part, Article 4.
In order to facilitate the implementation of the reform, in 2016 by the Order of the Prime Minister of Georgia⁴ the Inter-agency Coordination Council of Public Administration Reform (hereinafter – PAR Council) was established aimed at coordinating and monitoring of the implementation of PAR. Policy Planning and Coordination Department of the AoG serves as the PAR Council secretariat and ensures analytical and organizational support of the Council.

According to the areas of the Reform, the Council initiated to create 6 thematic working groups. Furthermore, the Council Expert Level Working Group is functioning, where the representatives of the high-ranking members of the council participate.

The support of international partners in the process of implementation of the reform is essential.

**Action Plan Elaboration Process**

According to the Government Program 2018-2020, the objective of the government is to implement effective and fair policy, in order to ensure further strengthening of public administration and policy planning, and formation of flexible and efficient public administration focused on current challenges.⁵ The Roadmap serves as a framework for the public administration, thus is referenced in other policy documents, such as:

- According to Georgia’s Social-Economic Development Strategy "Georgia 2020", effective Public Administration is one of the main prerequisites for inclusive economic growth along with macroeconomic stability;⁶
- The importance of public administration reform is highlighted in documents of the country’s Basic Data and Directions (BDD) document for 2017-2020, also for 2018-2021:⁷ due attention is given to the fundamental principles of public administration, including capacity building, public finance management, enhancement of accountability, self-government and public service delivery.

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⁴ Order of the Prime Minister of Georgia dated 3 May, 2016 on the Approval of the Regulations and Composition of the Council of the Public Administration Reform.
⁶ Georgia’s Social-Economic Development Strategy "Georgia 2020", pages 12, 18, 23.
⁷ Main data and directions of the country for 2017-2020, p. 4, 11-12; Main data and directions of the country for 2018-2021, p. 3, 10-11.
In order to ensure continuity of the Reform, according to the decision of the Council dated 19 September 2018 the development of the PAR third - Action Plan for 2019-2020 was commenced.

The Action Plan was developed by the PAR Council Secretariat in cooperation with civil society organizations and international partners. The process of elaboration of the document was divided into several stages:

 The AoG drafted a calendar for the elaboration of the Action Plan, with detailed stages and timeline prescribed;

 The Calendar, as well as the planned activities, were discussed and agreed with the Council Expert Level Working Group, donor organizations and the SIGMA experts;

 With the assistance of the UNDP Georgia and UK Government joint Project - Supporting Public Administration Reform in Georgia, the process of development of the Action Plan has commenced with the meeting of the Council expert-level working group where the Med-term evaluation of the PAR Roadmap was introduced by the SIGMA experts. The discussion was held regarding the policy objectives enshrined in the Roadmap and their relevance for the new Action Plan. Next steps were agreed upon;

 The AoG has continued an intensive working process with all responsible agencies of the Reform. Consultations with SIGMA experts were held continuously. In 26-30 November 2018, the AoG hosted the second mission of SIGMA experts. During the mission, the draft Action Plan was reviewed in details.

 As a result, a draft Action Plan was developed and presented to the civil society and donor organizations for comments and recommendations. The UNDP Georgia, Delegation of the European Union to Georgia, Innovations and Reforms Center (IRC) and the National Association of Local Authorities of Georgia (NALAG) submitted comments/suggestions on the document.

 A thorough discussion of the suggestions provided by the civil society was ensured at the consultation meeting, which was hosted by the AoG on 25 January 2019. All directions of the Action Plan were discussed with the active involvement of relevant responsible agencies. CSOs have discussed prospects of improvement of the document and introduced further recommendations.

 Part of civil society recommendations has been adopted by the responsible agencies and reflected in activities of the Action Plan. For example, although the Government approved the "Open Government Georgia's Action Plan 2018-2019", representatives of the USAID offered to the Secretariat of the PAR Council to add a new objective related to the open governance. Following these recommendations, new activities were added to the "Accountability" chapter (see the chapter “Accountability”) with the aim to enhance the process of open government. Additionally, as a result of the abovementioned consultations, the State Audit Office (hereinafter – SAO) also took a new commitment that intent on improving the feedback mechanism on SAO recommendations.
Following the discussions with CSOs, the draft Action Plan was disclosed for online consultations for 2 weeks on the website of the AoG. For the very first time, the Public consultations were held while elaborating the PAR Action Plan. Local non-governmental and international organizations were informed about the commencement of public consultations and asked to share the information with interested parties.

The final version of the Action Plan was submitted to the Council and later to the Government of Georgia for approval.

**Action Plan Elaboration Methodology**

Within the process of the development of the Action Plan, the following documents were used as main sources: (1) the Roadmap 2020, (2) the mid-term progress report on the PAR Action Plan 2017-2018 (3) the mid-term evaluation report of the PAR Roadmap by SIGMA experts, (4) Baseline Measurement Report on Policy Development and Coordination by SIGMA, and (5) SIGMA Principles of Public Administration in five main directions.

The objectives of each direction of the Roadmap, progress achieved during the implementation process and current challenges were discussed at the very beginning of the Action Plan elaboration process, in order to develop new priorities. Based on analysis of achievements and challenges, part of the policy objectives enshrined in the Roadmap have been modified, as well as new objectives have been added to the new Action Plan. The new Action Plan does not repeat the objectives of the Roadmap that were irrelevant to the current challenges and/or were completely achieved by the end of 2018. Special attention was paid to developing ambitious and reform-oriented objectives and activities.

The outcome indicators have been developed regarding specific quantitative or qualitative baseline and target values, in order to measure the performance of each polity objective. Therefore, the analysis of the current situation and outcomes expected to achieve as a result of the implementation of each objective was carried out. Following identification of the policy objectives and indicators, relevant activities were elaborated and the Action Plan budget was formulated. SIGMA Experts and the AoG organized a seminar for responsible agencies regarding the proper budgeting of the Action Plan.

**Table 1** (see p. 6) provides comprehensive information on modifications of the Roadmap objectives for the Action Plan 2019-2020.

<table>
<thead>
<tr>
<th>PAR directions</th>
<th>PAR Roadmap objectives</th>
<th>2019-2020 Action Plan Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy planning and</td>
<td>1.1. Improve the legal framework for policy planning;</td>
<td>1.1 Further improve policy planning and coordination system</td>
</tr>
</tbody>
</table>

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8 Government Administration Official Website, [Section](#) - Public Administration Reform.
| **coordination** | 1.2. Develop a unified system and methodological guidelines for policy planning;  
1.3. Ensure the alignment between policy planning and lawmakers;  
1.4. Ensure the alignment between policy planning and budgeting;  
1.5. Develop an institutional capacity to strengthen the policy planning process;  
1.6. Elaborate comprehensive systems for management, monitoring, reporting and evaluation. | by enhancing the quality assurance control mechanisms of policy documents and capacity-building of civil servants  
**1.2** Improvement of the Policy Implementation Monitoring, Reporting and Evaluation system in order to ensure results-based management and increased public accessibility  
**1.3** Develop a practice of elaborating Policy Documents electronically in order to enhance the transparency of anti-corruption policy elaboration and the effectiveness of inter-agency coordination  
**1.4** Development of evidence-based policy implementation system, through the adoption of the Regulatory Impact Assessment (RIA) on legislative acts |
| **Civil service and human resource management** | 2.1. Determine the scope of Civil service and its practical application;  
2.2. Suggest an optimum solution for institutional set-up;  
2.3. Ensure conformity of existing legislation with the principles of merit-based and equal treatment;  
2.4. Analyze the political influence on the senior managerial positions in civil service and elaborate a unified approach for prevention;  
2.5. Improvement of the remuneration of civil servants based on detailed analysis of the current situation, development of a transparent and fair model to ensure the maintenance, attraction and motivation of professional personnel in civil service. | 2.1 Establish professional development system of professional civil servants at the level of ministries and promote the prevention of political influence on managerial positions in civil service in order to enhance merit-based career advancement and neutrality principles  
2.2 Institutional strengthening of the CSB with the aim of promoting enforcement of the Civil Service Law and establishing a unified approach |
| Service | 2.6. Establish a stable environment in civil service that will ensure permanent professional development opportunity; |
|         | 2.7. Improvement of disciplinary mechanism for civil servants and the introduction of the monitoring system to prevent corruption in civil service; |
|         | 2.8. Strengthening the Civil Service Bureau. |
|         | 3.1 Suggest the institutional set-up to the LEPLs covered by the Law of Georgia on Civil Service in order to strengthen the principles of economy, effectiveness and efficiency. |
|         | 3.2 Improve access to open data by strengthening existing mechanisms |
|         | 3.3. Develop electronic monitoring tool on recommendations issued by the State Audit Office in order to improve the feedback mechanism |
|         | 3.4 Raise awareness of civil servants on the open government agenda and existing engagement mechanisms in order to promote the implementation of the open government policy principles in civil service |
|         | 3.5 Improvement of the existing legislation on the access to information in order to enhance openness, transparency and accountability of the public agencies and its consistent application in practice |
| Public Services | 4.1. Develop a unified policy for |
|         | 4.1 Develop a unified standard for |
| Delivery | delivering high-quality services ensuring that government services respond to customer needs;  
4.2. Develop a unified legal framework for administrative procedures to minimize special regulations;  
4.3. Develop a universal system of quality assurance of public services;  
4.2 Increase access to public services through the introduction of unified, user-oriented standards of service delivery  
4.3 Ensure quality of public services through the implementation of the Unified Standard of Quality Examination and Improvement  
4.4 Establish a fair and effective approach to the pricing of public services through the elaboration of a unified methodology of service pricing  
4.5 Improve access to public and private sectors’ electronic services by strengthening My.gov.ge  
4.6 Introduction of the interoperability framework to develop e-governance and ensure access to information  
4.7 Strengthening critical infrastructure security through raising awareness and establishing the teaching methodologies |
|---|---|
5.2. Strengthen the financial management and control system. | 5.1 Strengthen the sustainability of the medium-term planning in order to increase the budget planning efficiency  
5.2 Strengthen the effectiveness of Fiscal Risk Management in order to Ensure macro-fiscal stability  
5.3 Ensure greater transparency of the budget process and citizen participation in order to enhance accountability |
| Local self- | 6.1. Develop a new Strategy and | 6.1. Strengthening local self- |
Overview of the Action Plan

1. Policy Development and Coordination

Since 2015, the Government of Georgia has taken important steps towards the development of a policy planning system in Georgia. In particular, methodological documents “Policy Planning Handbook” and “Monitoring, Reporting and Evaluation Systems of the Government Performance” have been adopted. These documents outline the list of policy documents in the country, their hierarchy, linkages and the rules for elaboration. Furthermore, results-based monitoring and evaluation practices have been introduced; for the first time in Georgian public sector, training module “Public Policy Analysis” has been elaborated based on the international standards. The module aimed at developing skills and knowledge of civil servants about the administration of each stage of public policy development cycle as well as increasing analytical competencies.

Training-module "Public Policy Analysis" corresponds to international standards. The goal of the course is to educate civil servants about the overall cycle of policy development and implementation of each stage.

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Notwithstanding the progress achieved there are still outstanding challenges to be addressed: the institutionalization of the involvement of the general public in the policy planning process; effective coordination among public entities and capacity of line ministries in the policy elaboration process. These issues are also identified in the SIGMA 2018 Baseline Measurement report on the Policy Development and Coordination in Georgia.

To address these challenges, the Action Plan for 2019-2020 envisages four objectives:

- **Further improve the policy development, coordination and implementation system and develop the capacity of civil servants**;
- **Improve the Policy Implementation Monitoring, Reporting and Evaluation system**;
- **Develop a practice of elaborating the Anti-corruption Policy Documents electronically**;
- **Adoption of the Regulatory Impact Assessment (RIA) of the legislative acts**.

Through the implementation of provisioned activities of the Action Plan, it is anticipated that the quality of policy planning coordination and policy documents will be improved. Moreover, in order to build the capacity of the civil servants, basic training modules on policy development, monitoring, reporting and evaluation will be introduced in line ministries. Unified electronic System will be developed and launched, which will digitize the policy planning, monitoring and evaluation processes. The existing “Policy Planning Handbook” will be updated with more detailed guidelines and user-centred (civil servants) design. Procedures of public consultations during the policy planning will be developed and as a result, all interested parties will be able to participate in the process. The system of Regulatory Impact Assessment of normative acts will be introduced, which will create a solid foundation for the evidence-based legal drafting practice.

2. **Civil Service and Human Resources Management**

Civil Service Reform is an integral part of PAR.

Law of Georgia on Civil Service (hereinafter - CSL) adopted on 27 October 2015 has entered into force on the 1st of July, 2017. In addition, the Government of Georgia has approved 13 decrees prescribed by the transitional provisions of the CSL: namely, rules for recruitment in civil service, conducting competition in civil service, performance appraisal, assigning a position to hierarchical ranks and other procedures regulating various aspects of the development of professional civil service. According to the transitional provisions of the CSL a new Law of Georgia on Remuneration in Public
Institutions was adopted and new classification and the ranking system was implemented.

New legislative framework provides a completely new understanding of civil service; unified approach towards all the novelties enhanced by the laws and relevant legal regulations and their practical implementation remains as an important challenge of the future reform. To this end, objectives set by the Reform Action Plan 2019-2020 are defined as means to overcome these challenges.

Content of Civil Service Reform Concept that became the basis for the adoption of the CSL builds on the establishment of a professional civil servants’ institute and implies the introduction of the regulations aiming at relieving civil service from the political influence and developing a just system for career advancement. The new law and secondary legislation provide new regulations for recruitment procedures in civil service and professional development of professional civil service. Innovations related to the competition procedures once again emphasize steps made towards relieving competitions in civil service from a political influence. Although the legal basis is already created, merit-based career advancement and neutrality principles on prevention of political influence in civil service still require additional measures for its promotion. For this purpose, a number of activities are envisaged in the Action Plan.

The Civil Service Bureau has been recognized as an authority for undertaking the management and coordination of the implementation of Civil Service Reform. A mission of the Civil Service Bureau is to support the implementation of a uniform civil service policy in Georgia and the development of a professional, career-based civil service through improving legislation, establishing effective and transparent governance and ethical standards, as well as promoting anti-corruption policy. Thus, in order to ensure the smooth implementation of the Civil Service Reform and provide respective recommendations to public institutions, activities for continuous strengthening the institutional capacity of the Civil Service Bureau were defined in 2019-2020 Action Plan.

3. Accountability

Improvement of open governance, transparency and accountability to the public continues priority in the Governmental agenda.

In this direction, the systemic approach is developed in the country and current vision is consolidated into two policy documents: the National Anti-Corruption Strategy and the Action Plan, and the Open Government Georgia’s Action Plan.

In order to develop the state anti-corruption policy and enhance coordination on countering corruption, the Government established the Anti-Corruption Interagency
Coordination Council, while the policy for the open government is defined by the Open Government Georgia’s Forum. The members of these inter-agency bodies are representatives of the executive, legislative and judicial authorities, international and local organizations, including non-governmental and business sectors. The Ministry of Justice of Georgia is coordinating the anti-corruption direction at the national level, and the Open Government process is coordinated by the AoG since February 2019.

2017-2018 Action Plan of the Public Administration Reform in the accountability section fully reiterated the activities envisaged by the Action Plans on Anti-Corruption and Open Government.

Taking into account the objectives of the 2019-2020 Action Plan, with the initiative of the Council Secretariat, 2019-2020 Action Plan does not reiterate commitments defined by other action plans approved by the Government. Thus, the duplication of objectives will be avoided and attention will be paid to a reform-oriented action. On the other hand, cooperation of coordinating agencies at the national level will be strengthened which shall ensure rational use of resources at the stage of policy development, monitoring and evaluation. This approach was supported by the state agencies engaged in the process of elaboration of the Action Plan as well as the representatives of civil society, and SIGMA experts.

In November 2018, the Government of Georgia has approved the Open Government Georgia's Action Plan 2018-2019 and in December 2018 the process of renewal of the Anti-Corruption Action Plan 2019-2020 has commenced. In accordance with the new approach, these documents will not be reflected in the accountability section of this Action Plan. However, within the reporting years, the Council Secretariat will actively cooperate with the Secretariats of the Anti-Corruption Council and Open Government Georgia’s Forum, in order to regularly update the PAR Council on the fulfilment of the relevant accountability action plans.

Five major objectives have been set up in the sub-chapter of the PAR Action Plan 2019-2020: (1) To suggest institutional set-up of LEPLs covered by the Civil Service Law in order to strengthen the principles of economy, effectiveness and efficiency, (2) to improve the access to the open data, (3) to improve the feedback mechanism on the recommendations issued by the SAO, (4) to raise awareness of civil servants on open government policies at the central level, and (5) to improve existing legislation for the purpose of providing access to information. The 3rd and 4th objectives of the chapter were added as a result of consultations with civil society.

- In order to successfully implement the Civil Service Reform and the Law of Georgia on Civil Service, in 2016-2017 the Civil Service Bureau has carried out a functional and institutional analysis of central government institutions, based on which the recommendations have been developed. In 2018 the Bureau began a functional and institutional analysis of Legal Entities of Public Laws (LEPLs) in order to apply the Law of Georgia on Civil Service to the LEPLs. In this regard, taking into consideration the SIGMA principles of accountability, the objective set out in the Action Plan aims to create the basis to disseminate

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10 Ordinance No 390 of the Government of Georgia dated 30 December 2013 on the Approval of Composition and Regulations of the Anti-Corruption Interagency Coordination Council.
11 Terms of Reference of the Open Government Georgia’s Forum.
the law. The analysis of the LEPLs' functions and responsibilities is intended in order to achieve the goal.

- **Open data** takes a special place for both open governance and accountability, as well as for contemporary models of e-government. With the aim to provide and process open data the Open Data Portal (DATA.GOV.GE) is developed. It enables businesses, non-governmental organizations and government agencies to use data for the development of applications, e-services and also, to get economic benefits. For the next two years, it is planned to increase the number of open data on the portal. Within the framework of the Action Plan 3 agencies (Municipal Services Development Agency, Civil Service Bureau and Ministry of Finance) are to improve access to open data within the scope of their competencies. As a result, tangible results will be achieved.

- The major outcome of the SAO performance is their recommendations and results achieved after their implementation. Consequently, the SAO's priority is to promote the implementation of its recommendations and develop a mechanism for the monitoring. In 2016, the SAO approved guidelines for elaboration and monitoring of recommendations. However, the current goal is to strengthen the monitoring of the implementation of the recommendations in order to further increase the accountability of public institutions. Consequently, within the framework of the PAR Action Plan, the SAO will launch the electronic system for monitoring implementation of recommendations. Hence, relevant information will become easily accessible to all interested parties.

- During the Action Plan elaboration process, the AoG was assigned to coordinate the open government policy at the national and international level. **Raising awareness of civil servants on the open governance agenda** was defined as one of the key priorities, on the basis of the analysis of shortcomings and civil society recommendations. In order to ensure a complex approach to this matter, elaboration of a **communication strategy** was defined as the key activity, aimed at specifying target groups, communication channels and projects to be implemented.

- One of the most important objectives of the Government is to improve the legislative norms regulating freedom of information and their compliance with international standards in order to ensure accountability. Currently, the norms regulating accessibility to the public information are scattered in separate legislative acts. Besides, current legislation has an unclear definition of public information. In many cases, the legislative norms allow legal interpretation and do not prescribe a clear mandate and responsibilities to the persons in authority for public information disclosure. The Ministry of Justice of Georgia aims at improving the existing legislation on access to information to ensure the consistent use of it in practice. The key activity in this direction is to submit the **Law on Freedom of Information to the Parliament of Georgia**. Adoption of a special law on freedom of information will unify all norms in a single normative act and eliminate legislative deficiencies in practice. Furthermore, it should also streamline the practice, as well as support public institutions, non-governmental organizations and the general public to develop open, accountable, rational and optimal governance. The special law will emphasize the importance of open
governance and public administration policy and will remove the complexities while working on freedom of information matters.
4. Public Services Delivery

Within the framework of the PAR, the Government of Georgia aims to **improve the quality of public services, its accessibility and customer satisfaction level.**

In accordance with the objectives and priorities of the Roadmap, in 2017-2018 particular attention was paid to **public service development, delivery, quality and costing.** The policy document developed in 2018 reflects all directions that are crucial to improving public service quality and accessibility.

Accordingly, the objective of the 2019-2020 Action Plan is to **implement the above-mentioned policy document and introduce new standards.**

Furthermore, the significant component of the Action Plan is the **refinement of the accessibility to the electronic services** as well. To this end, the portal for electronic services was launched in 2012 - (MY.GOV.GE) – providing the public and private sectors’ e-services. Currently, over 400 services are available on the portal. The continuous increase of this number is of utmost importance, however, an adaptation of the portal for sight-impaired users is also a high priority. Therefore, unlike the Roadmap, the objective of this Action Plan is not adding new services to the portal, but improving the accessibility to the existing ones through design adaptation and awareness-raising on the advantages of the Portal.

The essential prerequisite for e-service delivery is **well-developed e-governance.** Herewith, one of the supporting precondition for e-governance is to ensure interoperability in the public sector. The objective of the Action Plan is to introduce executive mechanisms, in order to increase the number of public services integrated into the data exchange infrastructure and ensure a high standard of interoperability.

**Critical Infrastructure** and information systems’ security also has vital importance to ensure high standard governance. Specific activities of the new Action Plan assist to protect the systems and in general, increase awareness on informational security.
5. Public Finance Management

In recent years a number of significant changes have been made, in order to improve the practice of public finance management and get closer to the international standards.

Progress made is evidenced according to the assessment of the Public Expenditure and Financial Accountability\(^\text{13}\) (PEFA) 2017 report, also with the Fiscal Transparency Evaluation Report\(^\text{14}\) which has been prepared by the International Monetary Fund (IMF) Technical Assistance Mission and 2017 Budget Transparency Survey\(^\text{15}\), published by the International Budget Partnership, according to which Georgia got scored 82 and ranked 5\(^{\text{th}}\) among 115 countries and moved to the group of countries with Extensive transparency.

Despite this, there are still some steps that need to be taken for the stable and effective functioning of the system. In this direction, the complete picture is shown in the country's Public Finance Management Reform Strategy of 2018-2021.\(^\text{16}\) The given Action Plan is in line with the goals set out in the Strategic Document and with the specific outcome indicators correspond to them.

In order to make the budget planning process more effective, one of the main objectives of the Action Plan is to strengthen the sustainability of medium-term planning. In this regard, compatibility of the program of the Government of Georgia and various sector strategies will be ensured with medium-term parameters; the measures will be taken to eliminate the weaknesses identified in the assessment report of PEFA. In addition, it is important that the BDD for 2021-2024 will provide information on the effect of current and new policies on budget. In order to improve budget revenue forecasts, analysis and forecast of macroeconomic and fiscal indicators will be implemented according to the Dynamic-Stochastic General Equilibrium (DSGE) model.

In order to ensure macro-fiscal stability, the Action Plan enhances the effectiveness of financial risk management. Within the framework of the Public Finance Management reform, it is important to develop macroeconomic risk analysis of the financial sector and establish single system management of state enterprises, including the classification of enterprises, monitoring/prevention of other possible fiscal risks based on conditional

\(^{13}\) Public Expenditure and Financial Accountability Assessment 2017.
\(^{14}\) Fiscal Transparency Evaluation – Georgia.
\(^{15}\) Transparency, Open Budget Index – Georgia.
liabilities and their operations, in order to increase the share of state enterprises that are covered in the fiscal risk analysis document. Within the framework of the Action Plan, a state enterprise corporatization strategy will be developed.

Successful implementation of the fiscal risk management reform will minimize random and unforeseen factors on budgetary indicators, also a negative impact on economic development of the country and reduce the risks of the budget unforeseen expenses. Further improvement and transparency of the fiscal risk analysis will positively affect the country’s credit ratings and strengthen investor’s confidence in Georgia’s economy.

The third policy objective provided by the public finance management chapter of the Action Plan is to ensure greater transparency and citizen involvement in the budget process. Consequently, work will continue to improve budget transparency - basic budget documentation will be available in the editable format through the web page of the Ministry of Finance of Georgia. Citizen’s Guide on the State budget will be further developed and improved. Requirements of international instruments related to the open budget survey and other transparency issues will be taken into account for further development of the reform.

In order to engage the public in the budget planning process, an electronic platform will be created, supported by donors and financial-analytical service. According to the platform, every citizen will be able to plan the budget according to priority or spending agency.
6. Local Self-Government

In 2018 the new edition of the Constitution defined that separation of powers of state authorities and self-governing units is based on the principle of subsidiarity, which implies the existence of specific powers at the government level, where it will be exercised more efficiently. Therefore, there was the need to ensure the analysis of all those authorities or services which are currently carried out at central governmental level, however, it is possible to be further considered as the competence of the local self-government.

Therefore, the main objective of the local government chapter of the Action Plan is the expansion of powers for the purpose of strengthening the self-governance. Activities for this policy objective implementation are defined as follows: (1) development of a Medium-term (2019-2025) Good Governance Strategy at the local level and (2) the analysis of additional powers to be delegated to the local self-government. It is significant that delegation of powers to the local self-governments will be implemented together with the relevant financial resources which will enable local self-governments to implement newly imposed commitments rapidly and efficiently.

A necessary component of strengthening local self-government is gradual development and improvement of electronic services in municipalities. Objective 6.2 of the Action Plan refers to this issue. Ministry of Regional Development and Infrastructure of Georgia will develop the action plan defining the list of services that will be delivered to the citizens at the local level in electronic format from 2021. Stages for further introduction of the electronic services will be also prescribed in the Action Plan.

Budget

The PAR Council Secretariat has set the priority to budget the Action Plan according to high standards. With the assistance of SIGMA experts, the Action Plan Budget Form has been developed, which allows the responsible agencies to make an accurate financial calculation for each activity in accordance with the funding received from the state budget, donor or other sources. For the purpose of mobilizing resources, the form enables to detect the activities for which the funding is not defined at the stage of the Action Plan adoption. This helps the Council Secretariat to successfully cooperate with donor organizations as a coordinating agency and fulfil its role of mediator between the responsible agencies and the interested donors.

According to the budget of 2019-2020 Action Plan, 3 162 295.00 GEL is required to implement the Action Plan. For detailed calculation please see Table 2.
### Table 2: Budget of 2019-2020 Action Plan

<table>
<thead>
<tr>
<th></th>
<th>Salaries</th>
<th>Capacity Development</th>
<th>Technical Assistance</th>
<th>Equipment</th>
<th>Printed /other Materials</th>
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<tr>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<td>3 000</td>
</tr>
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<td><strong>Total</strong></td>
<td>377 623.00</td>
<td>207 949.00</td>
<td>1 701 554.00</td>
<td>442 000.00</td>
<td>82 398.00</td>
<td>331 500.00</td>
<td>19 271.00</td>
<td>3 162 295.00</td>
</tr>
</tbody>
</table>

### Monitoring and Evaluation

An important precondition for all successful reforms is the existence of a monitoring and reporting system that allows to collect and analyze information regularly about the progress achieved and inform decision-makers regarding this.

Along with the elaboration of the Action Plan, the Council Secretariat developed a **methodology for monitoring and evaluation of the Public Administration Reform Action Plan** based on the recommendations provided in the SIGMA roadmap interim assessment report.

The Action Plan Monitoring and Evaluation Methodology aims to assess the performance of the activities as well as the results achieved during the implementation of the Action Plan, to provide timely detection of the shortcomings and to prepare recommendations for their solution. Furthermore, the goal of the government is to ensure the active involvement of civil society representatives in this process.

The following table shows the main directions of the Action Plan Monitoring and Evaluation.

#### Table 3: Monitoring and Evaluation Methodology

<table>
<thead>
<tr>
<th>Direction of Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monitoring</strong></td>
</tr>
</tbody>
</table>

---

17 Direction of Action Plan.
### Main Stages of Monitoring

- Filling out the monitoring table by responsible agencies;
- Processing of the information provided by responsible agencies to the Secretariat and submitting them to the NGOs involved in the reform process;
- Preparing comments by NGOs and submitting to the Secretariat;
- Processing of the monitoring results by the Secretariat and presenting them at the Council Meeting.

**Frequency**

Once in a year

**Content**

Within the framework of the monitoring, the implementation of the Action Plan will be evaluated with regard to the activities and their indicators. The monitoring report, in contrast to the assessment report, will not discuss the issue of performance indicators.

### Evaluation

- Submit the written report to the Secretariat on the implementation of the plan by responsible agencies;
- Key informant interviews by the Secretariat with the responsible agencies;
- Prepare the Draft of the Assessment Report by the Secretariat and submit it to the Working Group on Expert Levels of Civil Society and Council for comments;
- Prepare final report by the Secretariat and submit it to the Public Administration Reform Council after consideration of the received comments;
- Review of the assessment report at the Council meeting.

**Frequency**

At the end of the Action Plan term period

**Content**

The Action Plan Evaluation Report will review both the performance and the outcomes achieved through the implementation of the objectives.

### Monitoring and Evaluation Criteria

<table>
<thead>
<tr>
<th>Rating</th>
<th>Monitoring</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully implemented</td>
<td>Monitoring – All stages planned for the activity has been fully implemented</td>
<td>Evaluation – Objective outcome indicator is fully accomplished.</td>
</tr>
<tr>
<td>Mostly implemented</td>
<td>Monitoring – More than the half of the stages planned for the activity has been implemented and only a few parts are still to be implemented</td>
<td>Evaluation – 51% of objective outcome indicator is accomplished.</td>
</tr>
<tr>
<td>Partially implemented</td>
<td>Monitoring – Less than the half of the stages planned for the activity has been implemented and most of the part is still to be unimplemented</td>
<td>Evaluation – Less than 51% of objective outcome indicator is accomplished</td>
</tr>
<tr>
<td>Not implemented</td>
<td>Monitoring – None of the stages planned for the activity has been implemented</td>
<td>Evaluation – Objective outcome basic data is unchanged.</td>
</tr>
</tbody>
</table>

**Status**

Implementation process has not started
<table>
<thead>
<tr>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation is in the process</td>
</tr>
<tr>
<td>Implementation process has been suspended</td>
</tr>
<tr>
<td>Implementation process has completed</td>
</tr>
</tbody>
</table>