More Transparent and Accountable Governance
Project Description and Purposes 2014 – 2018

Introduction

The watershed parliamentary elections in October 2012 brought Georgia’s first peaceful transfer of power through democratic elections since the country declared independence in 1991. Reforms initiated by the new government demonstrate an apparent willingness to improve good governance and civic participation. Despite the advance of important reforms, Georgia’s governance systems and processes require continued support to improve transparency, accountability and civic participation. With the election of a new government in 2012 and the shift of Constitutional power from the Presidency to the office of Prime Minister, it is an opportune time to provide governance-related support to the Government of Georgia (GoG), Parliament, civil society and the media to improve the transparency, accountability and effectiveness of key institutions.

The purpose of this document is to inform a broad range of interested parties—including government officials, donors, and local and international organizations—about USAID/Georgia’s proposed programming related to good governance over the next five years. It is USAID/Georgia’s intention that interested parties use this document to begin thinking about innovative ways to achieve the anticipated results and ensure proper coordination.

This project\(^1\) is predicated on the development hypothesis that transparent and accountable governance can be enhanced at the national and local levels by expanding civic participation, improving access to reliable information, and increasing the effectiveness of governing institutions, systems and processes. To take advantage of Georgia’s recent political transition, the United States Agency for International Development’s (USAID) More Transparent and Accountable Governance project will engage government institutions on a local and national basis. At the same time, it will support the demand side of governance through civil society and media. The aim is to advance sustainable good governance by strengthening both the supply and demand sides of the equation, as well as promoting dialogue and engagement between them.

The project will improve transparent and accountable governance in Georgia through achievement of the following high level results or sub-purposes. These sub-purposes are mutually reinforcing and none is intended to take precedence over the others.

\(^1\) A “project” is comprised of multiple activities performed through one or more implementing mechanisms.
1) Increased Civic Engagement, Including Outside of Tbilisi
2) Improved Access to Independent, Reliable and Balanced Information Relevant to Georgia’s Good Governance
3) Strengthened Institutional Oversight of Government Institutions
4) Strengthened Policy Development and Law-making Processes
5) Improved Administrative and Financial Management of Public Institutions at All Levels

USAID’s assistance to Georgia is guided by the 2013-2017 Country Development Cooperation Strategy (CDCS). The CDCS includes three main development objectives, the first of which is Development Objective One (DO1) – Democratic Checks and Balances and Accountable Governance Enhanced. This project is one of three projects USAID intends to design and implement in support of DO1. While this project targets civil society, media, and national and local governance, two future projects will address political pluralism, electoral processes, and rule of law.

Government of Georgia (GoG) Policies and Priorities

Building upon Georgia’s substantial progress since 2003, the new GoG has announced a series of ambitious governmental reforms intended to increase transparency, accountability, effectiveness, and engagement with citizens. Additionally, the GoG has long declared EU and NATO accession to be one of its top foreign policies. This project will support a number of GoG policy reforms and national priorities related to good governance, including but not limited to:

Open Government Partnership (OGP): In 2011, Georgia joined the OGP, an international initiative to seek commitments from participating governments to promote transparency, increase civic participation, fight corruption, and harness new technologies to make government more open, effective, and accountable. The new GoG’s prioritization of transparent governance has been exemplified by its efforts to accelerate progress towards OGP commitments, including those associated with access to public information. The GoG has issued a decree assigning the Anti-Corruption Council Secretariat to develop a 2014-2015 OGP Action Plan in consultation with civil society. This project is designed to assist the GoG in its proactive efforts to institutionalize transparency of public resources while also strengthening media and civil society to test and utilize these reforms in the interest of the citizenry.

Civil Service Reform: The October 2012 change in government provided an opportunity to put civil service reform back onto the policy agenda. The Georgian Dream-led government has demonstrated the political will to develop a professional public administration and civil service that will improve service provision. To support the development of a new Civil Service Reform concept, former Prime Minister Ivanishvili issued a decree in July 2013 to establish a Civil Service Coordination Council comprised of 15 representatives of various ministries of Georgia. This reform initiative includes a participatory process with focus groups, workshops, working groups, policy roundtables and public debates. The Council has been assigned the task of developing a civil service reform concept to be submitted to the Government for consideration by February 2014. Once the concept is finalized, the GoG will need to develop an action plan that clearly outlines how this concept will be implemented, including legislative and administrative changes.

Decentralization Reform: A number of issues must be resolved before the GoG’s draft Law on Local Self-Governance is approved and implemented. Moving forward, the GoG still needs to generate support from key state and non-governmental stakeholders. Among the most debated issues are the cost of establishing new local governments, the need to establish new electoral processes in time for 2014 local elections, the importance of a phased fiscal decentralization approach, and how to address the capacity needs of local public servants.

Healthcare Reform: In March 2013, the GoG instituted a new universal healthcare program that covered two-million uninsured citizens of Georgia with a minimal package covering primary and urgent care only. The minimal package was later expanded to cover inpatient and outpatient care. In the State Budget for 2013, more than GEL 600 million was allocated for health services, which constituted a 70% increase over the previous year and up to 9% of the total budget. Strengthening accountability systems tied to the reform will be important during the ongoing rollout of universal health coverage, which entails a dramatic increase in the health budget and an expanded government role in health service provision.

EU and NATO Accession: On November 29, 2013, the GoG took the historic step of initialing an EU Association Agreement that will, if signed, advance the political association and economic integration of Georgia into the European Union. The Association Agreement details priorities for the period 2014-2016 as well as benchmarks for achieving them. While the EU will lead the process of providing instruments and resources for implementing the Association Agreement, all partners of Georgia, including the USG, are encouraged to provide support. This project intends to assist Georgia to concretely demonstrate adherence to good governance-related reforms outlined in the Association Agreement.

The USG supports Georgia’s future integration into NATO and the related NATO-Georgia Commission which serves as a forum for political consultations and practical cooperation to help Georgia achieve its NATO ambitions. In order to advance good governance-related reforms outlined by the Commission, this project will coordinate closely with NATO and GoG counterparts to identify targeted areas for support, most notably civil service reform.

To accomplish its goals and commitments, the GoG will need to adopt new, and strengthen existing, governing institutions, systems and processes. These include, but are not limited to: public financial management systems, including budget and financial audit controls; legal drafting and legislative tracking systems; strategic planning processes; evidence-based policy planning, coordination, and implementation processes; effective public administration and civil service systems; and results-based management approaches.

Project Description

Strong and effective democracies need well-functioning legal frameworks, institutions, systems and processes to ensure government performance, accountability, transparency, and checks and balances. Citizen participation and the free flow of information also play fundamental roles in ensuring government accountability and transparency, as well as in furthering government legitimacy and effectiveness.
The purpose of this project is to strengthen the overall transparency, accountability and effectiveness of governance in Georgia, including the legislative and executive branches at various levels. This is to be achieved by building linkages between different branches and levels of government in key governing systems and processes, while also increasing public participation in and public information about those systems and processes to ensure greater governance accountability.

This project will focus assistance on strengthening key governance reforms designed to establish or strengthen critical processes, practices and systems that ensure greater government transparency, accountability and effectiveness in operation and delivering services. Examples of these include strategic planning performance management processes; participatory policy and legislative development processes; performance budget planning, implementation and oversight; and intra-governmental and public communications and coordination systems. Assistance may support Georgia’s participation in, or progress towards, governance-related reform initiatives and international commitments such as the Open Government Partnership.

In seeking to strengthen overall governance systems and processes in Georgia, this project will more closely align assistance to the executive and legislative branches while including significant civil society, public engagement, media and public information components. This will be done through technical assistance, capacity building, and training for certain governing institutions at the national and local levels, as well as through direct and indirect support for key civil society and media organizations.

In addition, the project will work closely with civil society to ensure that procedures for allowing public participation in these processes and systems are created and respected. The project will seek to increase and expand the number and capacity of active citizens, as well increase the capacity and effectiveness of civil society and media organizations, in both Tbilisi and the regions, that monitor, report on, and engage with governing institutions and citizens.

To the extent possible, the project, through its various implementing mechanisms, will implement activities such as technical assistance, training, and workshops in the context of and in coordination with specific policies and initiatives. While specific policy agendas for this project will be flexible, and will more properly be the focus of annual work planning during project implementation, there are some areas of prioritization that correspond to USAID/Georgia development goals as set forth in the 2013-2017 Country Development Cooperation Strategy. These include, but are not limited to, local self-governance reform, civil service reform, healthcare reform, media reform, Open Government Partnership, gender-related laws and action plans, and Euro-Atlantic integration. Support to key policies and initiatives will encompass policy development as well as implementation and monitoring of progress.

The project will likely focus upon important Government of Georgia institutions such as the Prime Minister’s Office; key ministries such as the Ministry of Finance, the Ministry of Justice, the Ministry of Labor, Health and Social Affairs, and the Ministry of Regional Development and Infrastructure; Parliamentary offices and committees; government agencies such as the State Audit Office; as well reformed local governing units. The project will also target key civil society and media actors.

Lessons learned from past USAID activities in the area of governance, civil society and media, as well as changes in government since October 2012, have provided grounds for rethinking past approaches to
governance activities. The new project will focus on sustainable approaches such as policy level work and will emphasize more proactive, strategic capacity development primarily aimed at development of systems and processes of various stakeholders.

The project will work in a strategic set of geographic locations, taking into account factors such as political will of relevant stakeholders, demographics and minority presence, historical considerations and donor coordination. Final decisions regarding geographic focus will be made during the activity design and early award phases.

Sub-purpose One: Increased Civic Engagement, Including Outside of Tbilisi

While previous efforts have led to important advances in civic engagement, civil society advocacy and an improved legal enabling environment for civil society, important challenges to civic engagement remain and additional investments are needed. In particular, there is a need to strengthen the foundations of the sector by deepening and broadening citizen engagement in civil society and strengthening the CSO community’s capacity to manage and sustain itself and respond to a changing environment. The project will continue to build the capacity of the civil society sector as an end in itself while also supporting civil society as a means to a larger end, i.e., as a means to more transparent and accountable governance and more responsive policies.

At the end of this five-year project, we can expect to see the following results:

- **Greater awareness and involvement of citizens in CSO activities.**

In Georgia, CSOs are sometimes caught between differing priorities of donors and the citizenry. CSOs will receive support to deepen citizen outreach and better identify constituent needs using new methods and technology. In order to address the low confidence Georgian citizens still have in the non-governmental sector, the project will help CSOs to improve their ability to engage citizens. The project will impart new methods and tools, including new technology such as online crowdsourcing, for CSOs to carry out citizen outreach. Outreach might include educating citizens about new government policies, conducting mini-surveys or focus groups to identify constituent needs, facilitating open public forums on key issues or other innovative and low cost ways of engaging citizens. The project will also help CSOs to develop volunteer programs which will both expand their operational capacity and build a constituency of citizens invested in the CSOs. The project will pay special attention to increasing women’s participation in CSO activities, and CSO engagement on issues that impact women.

- **Greater CSO leadership and organizational capacity, as well as sustainability, across a range of organizations in and outside of Tbilisi.**

Under this project, capacity development activities will emphasize financial management and compliance, as well organizational capacity, sustainability and leadership. A sustainable civil society sector must be able to develop, maintain and update its skills and organizational capacity to meet current and changing needs. The project will increase the number of capable CSO leaders by supporting leadership development training and activities for both senior and mid-level CSO managers. This will impact individual organizations, as well as coalitions and the sector as a whole. A targeted group of partners will receive tailored capacity development assistance following the application of an organizational capacity assessment and development of a capacity development plan. Areas to be
addressed include governance, financial management, administration, human resources management, financial sustainability, organizational management and program and project management. Capacity development will utilize a range of methods including technical assistance, coaching, mentoring and peer learning among Georgian CSOs.

While it is not realistic to expect Georgia’s CSOs to be financially sustainable in the near term, the project will continue to encourage CSO’s to diversify their funding sources. This could include support in the development and implementation of sustainability plans for select organizations. The project will also help Georgia’s private sector and civil society organizations to liaise to increase the awareness, interest and engagement of the private sector in support of civil society activities.

- **CSOs effectively able to monitor and influence government policies and processes.**

The recent change in government has brought new opportunities for civil society to interact with government, not just as watchdogs and critics, but as partners in policy development. Advocacy and policy research activities will not be open-ended but rather will clearly align with a select number of policy priorities identified by CSO partners, and agreed to by USAID, in the context of this project. Policy priorities will also align with other components of this project in a mutually beneficial manner. For example, CSO monitoring of local governance reforms might complement support to the Ministry of Rural Development and Infrastructure (MRDI) to develop and track municipal performance metrics. Other key issues for civil society monitoring and advocacy could include local self-governance reform, civil service reform, healthcare reform, Euro-Atlantic integration, progress towards Open Government Partnership commitments, implementation of gender-related laws and action plans, implementation of recently enacted media legislation, and transparency of the analogue to digital transition. A nascent but growing community of domestic think tanks will receive support on policy analysis so as to effectively influence government decision-making.

- **Improved local governance mechanisms and processes for citizen consultation in select cities and municipalities.**

The project will work with the GoG and civil society to increase both supply and demand of good governance at the sub-national level. The project will support local governments to further operationalize effective mechanisms for citizen participation, including Civic Advisory Councils (CACs), village councils, and other mechanisms determined by ongoing GoG reforms. To make participation in local governance decision-making relevant to citizens, the project will focus on bringing citizens and local officials together to address real community issues such as land-use or local economic development.

- **Centers for Civic Engagement will receive continued support as a neutral gathering space for public discourse.**

Center for Civic Engagement (CCEs) have proven to be a highly successful gathering place for public discourse. The centers, which operate in ten major cities geographically dispersed throughout Georgia, offer meeting space free of charge to community groups, political parties, civil society organizations, journalists, elected officials and interested citizens on a first-come, first-served basis. Continued promotion of the principle of civic engagement and the provision of a forum to make this a reality will be of extreme importance during the period when the new GoG is implementing full-fledged reforms
and initiatives in a number of different directions such as local self-governance, civil service, healthcare, media, gender equity, government transparency, and Euro-Atlantic integration. In one example, the regional Centers for Civic Engagement could be part of a larger effort to promote citizen access and use of the internet for information.

The project will continue to support CCEs and, at the same time, look for ways to facilitate CSO and local government partnerships for establishing their own spaces/facilities (open to everyone regardless of political affiliation) that may eventually replace the CCEs. The project will look for opportunities for cost sharing, sustainability where possible, and responsibly transferring the CCEs to a local organization. A phase out plan will be developed early on and subsequently implemented to ensure technical assistance during the transition.

- **Using USAID-developed curricula and practical applications, secondary school civic education will be expanded to new networks of schools and teachers with significant engagement by the Ministry of Education.**

In the area of civic education, the project will work to increase civic engagement and activism through secondary school-based programs, with an emphasis on scaling up and institutionalizing current USAID efforts through the Ministry of Education and other stakeholders. The project will not only expand the number of schools with active civic education classes and clubs, but it will also improve civic education teacher standards and incentives, improve national curricula and textbooks, promote informal civic education outside of school and strengthen the network of civic education supporters through teachers’ and alumni forums. Georgian human resources in civic education should be used effectively to expand the reach of such activities. USAID will engage the Ministry of Education as a critical partner in this effort.

**Sub-purpose Two: Improved Access to Independent, Reliable and Balanced Information Relevant to Georgia’s Good Governance**

While previous efforts to improve access to reliable and balanced public information have led to notable advances in the legal framework, quality of journalism and capacity of regional media outlets, various constraints remain. USAID assistance moving forward will continue to nurture openings represented by increasingly active regional media outlets, a new legal framework and increased media independence.

At the end of this five-year project, we can expect to see the following results:

- **Georgian journalists will demonstrate fact-based, ethical journalism standards as they report on issues of public concern, including progress towards key GoG reforms in areas such as decentralization, healthcare and the civil service.**

Investigative journalism skills are improving. The project will strengthen the capacity of professional media to serve as an unbiased conduit of information between citizens and their governing structures, as well as a means to encourage diverse views and debate on issues of public importance. Improved professionalism of those who work at these media outlets will work to change internal attitudes and promote media that serve the public interest. The project will also support journalists’ efforts to create media content that challenges pervasive gender stereotypes.
Local residents regard regional media outlets as crucial sources of practical information pertinent to everyday life. As decentralization takes root, access and availability of information to average citizens, particularly those outside Tbilisi, will be vitally important. The project will support the journalist’s role of explaining, educating and monitoring changes related to key GoG reforms within a local context. Such an approach improves citizens’ ability to better understand how national reforms might impact their communities.

The project will emphasize the importance of using digital media to tell compelling, fact-based and ethical stories and social media as a forum for civic engagement. Online, interactive media is becoming an important means by which journalists and average citizens produce, share and consume information. The project will support the expansion of digital and social media training in regions outside Tbilisi for local media, recognizing multi-media journalism as an important growth area. The project will connect Georgian journalists with regional and international “new media” experts to share best practices in a field that changes and evolves almost daily.

In concert with a focus on professional skills development, ethical standards and digital media, the project will continue to support key aspects of journalism education, including the continued operation of the Media Education Center (MEC) in Tbilisi as a platform-neutral hub for training and practical application. The MEC is well-respected as a state-of-the-art digital learning lab providing practical, hands-on digital training for university journalism students and other young practitioners. Past investment in the MEC is delivering results and is well-utilized by institutions of higher education. The project will partner with various journalism schools to provide training to current and future journalists through the MEC.

The media component of this project will also develop a road map to localize ownership and management of the MEC assets, thereby reducing the cost to USAID over time while maintaining the center’s teaching mission. A responsible phase out plan will be developed early in the project and subsequently implemented before the project’s end, thus ensuring technical assistance during the transition.

- **Regional media outlets will demonstrate improved financial viability and transparency.**

The project will continue the current USAID strategy which focuses on the provision of targeted technical assistance to media outlets outside Tbilisi, recognizing that regional outlets maintain a greater deal of independence and are often less politicized. Limited foreign assistance resources can achieve a greater impact when concentrated on nascent media outlets outside Tbilisi.

This project will seek to improve the financial viability of targeted media outlets using an approach that is customized to each individual outlet. The project will assist with business planning and consulting at targeted media outlets to increase business management capacity, including training for sales and business professionals, which will enable independent media outlets to develop alternative businesses and sources of revenue. If needed, the project will also assist media outlets to conform to financial transparency reporting requirements set forth in a recent amendment to the Law on Broadcasting. These requirements will go into effect on January 1st, 2014.
In the area of financial transparency, the project will provide legal technical support to media advocacy groups to monitor the media reform process and seek further reforms if these requirements create challenges during the implementation stage. For example, implementation of legislation banning offshore media ownership has been uneven.

- **Functional mechanisms for ensuring government transparency and access to public information strengthened.**

In order for Georgia to improve access to public information and meet its commitments under the Open Government Partnership, media professionals as well as regular citizens will require improved access to government activities and performance. Seizing on the momentum created by the GoG’s recent decree on implementation of the OGP Action Plan and the need for all government entities to achieve proactive disclosure of public information, the project will support key ministries and agencies in their efforts to make government more open, including by harnessing new technologies. Specific areas of intervention might include the use of e-governance by local governments, the development of online healthcare databases, and expansion of the use of ichange.ge by different ministries and the Parliament to give citizens a platform to express their opinions on government actions and legislation.

The project will not only support GoG ministries and agencies but also local governments to create new procedures for making strategies, budgets and procurement information public. The project will support the establishment of these systems as standard practice enshrined in the law. By codifying and institutionalizing greater government transparency, greater responsiveness and accountability should follow. In addition, the project will help journalists and citizens to develop research skills to use these systems and to advocate with the government if data are not available.

**Sub-purpose Three: Strengthened Institutional Oversight of Government Institutions**

Under this project, activities to strengthen systems of public accountability will target governmental institutions at the national and sub-national level that oversee, monitor and account for government expenditures and performance.

At the end of this five-year project, we can expect to see the following results:

- **Strengthened capacity of key parliamentary committees to provide oversight of line ministries’ and state agencies’ performance and spending, including related to the decentralization and public health sectors.**

Subject to mutual agreement, the project will work with key parliamentary sectoral committees, such as the Health and Social Development Committee and the Committee for Regional Policy and Self-Government, by providing technical assistance and other support for consultations, public hearings, and joint investigations with civil society and other relevant bodies to create a coordinated system of oversight and accountability within targeted sectors. The project may also support Parliament’s Gender Equality Council to monitor implementation of gender equality laws and action plans.
Currently the budget and finance committee of Parliament is in charge of adopting and overseeing the state budget, while in other countries this function is split between two committees, the budget committee and public accounts committee. This and similar tools of effective oversight will be shared with Parliament as discussions on improving current regulations to introduce more effective oversight get underway. These tools include, but are not limited to, committee oversight hearings and investigations, improved cooperation with the Supreme Audit Office on the disposition of audit reports, and increased public outreach and engagement with non-governmental watchdog and monitoring organizations.

Special attention will be paid to increasing the quantity and quality of consultations between the government and members of the Parliament in budget preparation processes, especially between ministries and relevant committees, and developing the capacity within government ministries and parliamentary committees to analyze the costs of proposed legislation and engage in results-based budgeting.

As healthcare reform gets underway, transparency and oversight of public funds by government, Parliament and civil society will be critical. Strengthening these accountability systems will be important during the rollout of universal health coverage, which entails a dramatic increase in the health budget and an expanded government role in health service provision.

- **Strengthened government bodies and ministry internal control mechanisms and systems to conduct performance-based auditing**

 Assistance will target the Supreme Audit Office (SAO) and internal control offices of key ministries to help improve the quality of investigations, financial and performance audits, and reporting. The project will focus on the operationalization of the SAO’s five-year strategic plan (2013-2017). Since the plan was devised with previous USAID assistance, this will ensure continuity in the areas of operations, communications, and operational performance measures. The project will also place an emphasis on promoting cooperation between the SAO and other government agencies, using the Charter of Cooperation as a framework. Select ministries may also receive support to build in-house capacity for compliance and audit functions.

- **Improved systems, tools and capacity of the central government to monitor the performance of local governments based on objective and measurable criteria.**

As the ministry responsible for ensuring minimum service standards at local levels of government, MRDI will require support to improve coordination and performance monitoring. One way the project might assist MRDI is by developing an indicator-led assessment system for local governments in order to benchmark performance in key areas. Working through MRDI, the Ministry of Finance or other appropriate bodies, municipal indices will be introduced as a way of comparing service provision and financial management across municipalities, thus instilling a healthy sense of competition. These criteria could be used for certification of local governments. The highest-performing municipalities can be recognized as a way to further create incentives for improving local governance.

**Sub-purposure Four: Strengthened Policy Development and Law-making Processes**

A culture of law- and policy-making supported by sound analytical research is starting to take hold in Georgia but requires continued assistance. While some public servants, MPs, and parliamentary staff
have benefited from technical assistance in recent years, there is a need for stronger standards, methods, and institutions. The project will work to increase and expand the use of standardized policy development and law-making methodologies by government ministries, government agencies, and Parliament.

At the end of this five-year project, we can expect to see the following results:

- **Internal and inter-agency systems for evidence-based policy development and law-making will be established, including mechanisms for civic participation.**

To ensure that more effective policies and legislation related to socioeconomic issues are developed and enacted, the project will increase and expand the use of standardized policy development and law-making methodologies by government ministries and Parliament, including civic engagement in those processes through CSO groups supported under sub-purpose one. This will include assistance to the GoG in developing standardized processes and procedures for policy development, strengthening policy coordination mechanisms within the Prime Minister’s Office, developing operational legislative tracking systems, ensuring regular mechanisms for Parliamentary and public consultation and input, providing specialized policy development and legal drafting training and assistance for ministry staff and members/staff of relevant parliamentary committees, and encouraging collaboration of ministry staff and parliamentary representatives at the earliest stages of the policy development process.

In addition, the project will work to ensure that participation and transparency is an essential part of the policy development process and that when policies and laws are being developed there is sufficient time for public comment. Special attention will be paid to ensuring women’s meaningful participation in the consultation process, which may be a multi-staged endeavor that begins with changing lawmakers’ perceptions about the role of women and the benefit of their consultation on political matters. The project will also work to ensure that policy and law development processes allow for sufficient time for public comment. Changing this and other practices may require changes to the procedural rules of Parliament, the elaboration of new guidelines for policy and legal drafting, and review and amendment of the law on normative acts.

The project will support Parliament’s capacity to review and make informed decisions on policies and legislation. Putting into place a public legislative tracking database, a system for tracking amendments to draft laws, more robust internal research capacity, and a systematic approach for public input and engagement, will be among the key objectives of assistance to the Parliament under this project.

- **Development of select policies and laws will be supported**

In addition to strengthening policy development and law-making practices more generally, the project will focus on strategic policy issues identified jointly by USAID and GoG partners. Examples could include local self-government reform, decentralization reform, civil service reform, healthcare reform, media reform, and implementation of gender-related laws and action plans. Priorities should align with key GoG reforms deemed to be of mutual strategic importance. The project will provide support in advancing these issues through Georgia’s policy development and law-making systems and processes. In complementary fashion, support to CSOs and journalists under this project will align with the same set of strategic priorities where possible.
In those cases, the project will provide technical assistance to employees of ministries, executive branch policy-making agencies, legislative committees and research staff, and other relevant institutions for policy and legislative analysis. Policy analysis support under the project will center on practical applications (e.g. policy papers for trainees’ respective ministries) as opposed to taking a general approach. Georgian CSOs, particularly think tanks, will receive training on similar skills under the civil society component of this project.

Sub-purpose Five: Improved Administrative and Financial Management of Public Institutions at All Levels

Strengthening the effectiveness of governing institutions in Georgia is a key component of improving the quality of government programs and services and of ensuring the effective implementation and enforcement of laws, policies and strategies. This project will carry on and expand some key elements of current USAID good governance initiatives which focus on improving institutional efficiency in target institutions at all levels of government.

In addition, institutional change management techniques and practices will be utilized to encourage governing institutions to conduct self-assessments and empower government employees to identify needs and reforms, thus contributing to the development of a citizen-centered, results-focused institutional culture with staff as the change agents.

At the end of this five-year project, we can expect to see the following results:

- **Internal systems and processes for long-term strategic planning and performance management improved**

A key component of this project will be to improve internal systems and processes for long-term strategic planning and performance management. Likely counterparts will include the Ministry of Finance, the Ministry of Health, and other government ministries and bodies.

In relation to extensive health care reforms, including the roll-out of universal health coverage, the Ministry of Labor, Health and Social Affairs will receive assistance in developing appropriate management systems. The project will support the Ministry of Health to establish and operationalize key systems for the effective strategic management of recent reforms. One possibility is an external health care quality monitoring system to ensure an acceptable level of quality and to support continuous performance improvements of services covered by public funds. Another is a national health care accreditation system to ensure that public funds are going to duly accredited institutions.

- **Improved capacity of public servants**

The project will continue USAID’s support to the Master’s in Public Administration program at Ilia State University, providing educational support to current and future Georgian leaders and government managers. In 2013, USAID conducted an evaluation of its support to the MPA program and learned that while significant progress has been made, a number of issues must be addressed over time before the program is self-sustaining and no longer in need of support from international experts. Challenges include a shortage of full-time faculty, lack of case studies, and a policy research center with limited financial resources. The project will address these constraints by supporting not only curriculum and staff development but also financial viability and management of this important educational institution.
In addition, the project will also help institutions at all levels of government to increase their responsiveness to historically disadvantaged citizens, especially women, youth, minorities, and vulnerable populations. Assistance will include, but is not limited to, education and training for public officials and employees on responding to, and addressing the needs of, historically disadvantaged populations; and technical assistance, training and other support to organizations and associations that represent these populations.

- *Strengthened local and national-level public financial management systems, including performance-based budgeting*

The project will provide technical assistance to strengthen overall budget development and public financial management systems. This will be especially relevant in the context of local self-government and decentralization reform in which fiscal decentralization will require enhanced public financial management systems at both the national and sub-national levels to implement and account for financial transfers and new revenue generation mechanisms. USAID activities will be coordinated with those of other donors.

As a result of decentralization reform, at the time of project mobilization there should be new legislation dealing with intergovernmental finance and fiscal transfers from the center to the sub-national level. Once codified, these changes should lead to increased fiscal decentralization, thus vesting greater planning and budget authority in locally elected decision-makers who are best prepared to respond to the needs of their citizens. Given this new policy and legislative context, the project will emphasize technical assistance for local officials that covers the entire budget cycle, from planning to service delivery implementation to reporting. Improvements to services that have been identified as community priorities will be objectively measured.

Depending on the outcome of decentralization reform, the project may also assist municipalities with own-source revenue generation through, for example, streamlining billing and collection systems. Once local governments are accustomed to generating their own revenue, the incentive to institutionalize strong financial management systems will increase.

Recognizing that capacity building conducted by USAID alone is not sustainable or cost-efficient in the long run, the project may build the in-house training capability of the Ministry of Regional Development and Infrastructure (MRDI) (or another entity) in this area. This will allow for the institutionalization of professional development for local GoG officials. The project may assist MRDI in its efforts to adequately train local officials on public financial management. Given the possibility that other donors will also work in this space, USAID may decide to concentrate resources on other aspects of public financial management.

- *Functional civil service and human resource management systems introduced*

The project will continue USAID support civil service reforms in Georgia through targeted interventions to support the implementation of new systems. The project will promote a gender mainstreaming component of the new civil service system that addresses equity, empowerment, gender sensitive practices and affirmative action.
Illustrative Outcomes and Indicators

Project Purpose: More transparent and accountable governance

Indicators:
- Freedom House Nations in Transit National and Local Democratic Governance Ratings
- Freedom House Nations in Transit Civil Society Score
- Freedom House Nations in Transit Media Score

Sub-purpose 1: Increased Civic Engagement, including outside of Tbilisi

Outcomes:
- Greater awareness and involvement of citizens in CSO activities
- Greater CSO leadership and organizational capacity, as well as sustainability, across a range of organizations in and outside of Tbilisi
- CSOs able to effectively monitor and influence government policies and processes
- Improved government mechanisms and processes for citizen consultation and participation
- Centers for Civic Engagement will receive continued support as a neutral gathering space for public discourse
- Using USAID-developed curricula and practical applications, secondary school civic education will be expanded to new networks of schools and teachers with significant engagement by the Ministry of Education
- Increased citizen awareness of their rights and responsibilities in a democratic society
- Citizens recognize the importance of women’s participation in governance processes and political life

Indicators:
- Percent of public high schools with a regular civic education program
- Number of citizens reporting they’ve volunteered or participated in CSO activity multiple times in a defined period of time
- Dimension of NGO Sustainability Index: Advocacy
- Percent change in organizational capacity assessment score
- Percent of targeted government institutions with functioning public engagement mechanisms
- Number of citizens demonstrating changes in perceptions in role of women in political processes

Sub-Purpose 2: Improved Access to Independent, Reliable and Balanced Information Relevant to Georgia’s Good Governance

Outcomes:
- Georgian journalists will demonstrate fact-based, ethical journalism standards as they report on issues of public concern, including progress towards key GoG reforms in areas such as decentralization, healthcare and the civil service.
- Regional media outlets will demonstrate improved financial viability and transparency
- Functional mechanisms for ensuring government transparency and access to public information strengthened
- More information available on women’s issues and women’s participation

**Indicators:**
- Freedom House Nations in Transit Media Score
- Media Sustainability Index Score
- Percent of citizens who trust the media (IRI and/or NDI polls)
- Percent increase in complete responses to FOIA requests in national institutions
- Degree to which government implements OGP action plan

**Sub-Purpose 3: Strengthened oversight of government institutions**

**Outcomes:**
- Strengthened capacity of key parliamentary committees to provide oversight of line ministries’ and state agencies’ performance and spending, including related to the decentralization and public health sectors
- Strengthened government bodies and ministry internal control mechanisms and systems to conduct performance-based auditing
- Improved systems, tools and capacity of the central government to monitor the performance of local governments based on objective and measurable criteria
- Regulatory framework for government oversight improved in accordance with international standards

**Indicators:**
- Degree to which targeted agencies (e.g. Parliament and others) utilize oversight tools and mechanisms
- Number of people trained in conducting oversight according to required standards
- Number of state agencies with improved internal control mechanisms and systems

**Sub-Purpose 4: Strengthened policy development and law-making practices**

**Outcomes:**
- Internal and inter-agency systems for evidence-based policy development and law-making will be established, including mechanisms for civic participation
- Development of select policies and laws will be supported
- Policy analysis and legal drafting capacity of governmental and non-governmental actors increased

**Indicators:**
- New systems and processes for policy making are in place (benchmark indicator)
- Number of government policies developed in accordance with adopted systems and processes for policy making
- Number of state officials and other stakeholders trained in policy analysis, gender awareness and legal drafting
- Degree to which parliamentary committees incorporate nongovernmental organizations and other citizen groups into the legal reform development process, including women

**Sub-Purpose 5:** Improved administrative and financial management of public institutions at all levels

**Outcomes:**
- Internal systems and processes for long-term strategic planning and performance management improved
- Improved capacity of public servants
- Strengthened local and national-level public financial management systems, including performance-based budgeting
- Functional civil service and human resource management systems introduced

**Indicators:**
- Number of target national institutions that demonstrate improved administrative capacity
- Degree to which budgetary process is participatory, evidence-based and transparent
- Number of state institutions introducing and enforcing HR management systems in compliance with basic standards adopted in new legislation and by the regulatory body (currently CSB)
- Number of people (including MPs, civil servants, council members and staff) trained with USAID assistance
- Number of laws and policies adopted/amended to ensure decentralized local government structures with increased budget authority and devolution of competencies
- Percent increase in citizens’ satisfaction with services provided by local governments
- Public perception of local and national government institutions

In addition to these proposed indicators and any other indicators proposed by the implementer as part of the program design, USAID also requires that USG standard indicators be collected as part of this program.

**Standard Indicators**
- Number of national legislators and national legislative staff attending USG sponsored training or educational events disaggregated by sex.
- Number of draft laws accompanied by technical analysis and subject to review by legislative committees receiving USG assistance.
- Number of national executive oversight actions taken by the legislatures receiving USG assistance.
- Number of public forums resulting from USG assistance in which MPs and members of the public interact
· Number of civil society organizations and other groups receiving USG assisted training in advocacy
· Number of USG assisted civil society organizations that participate in legislative proceedings and/or engage in advocacy with the national legislature and its committees

Complementary Programs of Other Donors

A number of other donors are funding programs that complement elements of this project. Following the initialing of Georgia’s Association Agreement with the European Union, it is likely that donor support for good governance programs will increase in the years ahead. Therefore, USAID will coordinate closely with the EU and other key donors to ensure that activities are complementary and not duplicative.

Specific areas in which this project will require coordination include but are not limited to:

Parliamentary Strengthening: A current UNDP parliamentary strengthening program focuses on institutional development in the areas of budget review, oversight and human resource systems, as well as technical assistance in the areas of constitutional reform, electoral law, and decentralization. The EU is planning a new multi-year parliamentary program, to be implemented by UNDP. The EU has conducted an assessment of the Parliament which is intended to feed into the development of a new strategic plan for the Georgian Parliament. The EU shared a 2013 needs assessment with USAID/Georgia and findings on parliamentary capacity gaps were similar. It was agreed that both agencies would coordinate closely with the Parliament on the development of this new strategic plan to be used as the basis for discussions on the division of labor for parliamentary activities. Additionally, GIZ is working with the Parliament’s Budget Office and the Budget and Finance Committee to strengthen their capacity to engage on budgetary and public finance issues.

Support to the Prime Minister’s Office: The EU, in partnership with the OECD, is considering support to the Prime Minister’s Office (PMO) based on an institutional assessment that is currently underway. Discussions are still at an early stage. USAID’s current support to the PMO in the area of civil service reform entails formal coordination with key donors including the EU, UNDP, NATO, GIZ, and Sida. This forum will continue to harmonize future assistance efforts.

Decentralization: UNDP is implementing a local self-government support project in the amount of funded by the Swiss Development Cooperation (SDC) and the Austrian Development Agency (ADA) that supports policy reform processes within the Ministry of Regional Development, assists regional and municipal governments to create local development plans, and strengthens the capacity of local government employees through the introduction of capacity development mechanisms. The EU, GIZ, Sida and Council of Europe are also key actors providing support to local governance initiatives.

Public Financial Management: In the area of public financial management (PFM), GIZ, the EU, and the World Bank are working with the Ministry of Finance, the State Audit Office, the Central Harmonization Unit, and internal audit offices within ministries and state agencies to develop and strengthen PFM systems and to roll out program-based budgeting practices and performance-based
auditing. The EU’s budget support assistance is tied to PFM conditionality and the EU is supporting an initiative through the Louis Berger Group to provide technical assistance on PFM strengthening.

**Civil Society:** EU support for civil society is largely focused on grants to civil society organizations (CSOs) working on policy development related to EU integration. Through the Neighborhood Civil Society Facility, the EU is also strengthening the capacity of non-state actors to enhance their role in promoting reforms and increasing public accountability. The Open Society Georgia Foundation (OSGF) supports local organizations advocating for access to information, improved privacy and surveillance protection, and transparency in the media regulatory environment, including the analogue to digital broadcast transition. The OSGF Civil Society Strengthening project is building CSO capacity to diversify funding and develop stronger ties with their constituencies. The project promotes peace-building initiatives in the context of European and regional integration, and assists youth and ethnic minorities to engage in democratic processes.