

**UNITED NATIONS DEVELOPMENT PROGRAMME**

**EXTERNAL EVALUATION MISSION**

**GEO/96/005**

**Modernization of the State for Administration of Democratic  
Governance in the Sphere of the Presidency in Georgia**

**GEO/96/014**

**Modernization of Programme and Administrative Systems of the  
Ministry of Foreign Affairs in Georgia**

**REPORT**

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## EXECUTIVE SUMMARY

The two reviewed projects (GEO/96/005 - Modernization of the State for Administration of Democratic Governance in the Sphere of the Presidency in Georgia, and GEO/96/014 - Modernization of the Programme and Administrative Systems of the Ministry of Foreign Affairs in Georgia) were implemented successfully, with the following recommendations and lessons learned:

### ***GEO/96/005 - Modernization of the State for Administration of Democratic Governance in the Sphere of the Presidency in Georgia***

1. Summary of recommendations (provide a summary of the main report recommendations and indicate to whom they were addressed)
  - Continue to extend network and methods systems throughout State institutions.
  - Extend network and methods systems to regions.
  - Assist in development of additional measures that promote transparency, accountability and participation.
  - Develop additional specialized applications, such as financial management information systems.
  - Publicize accomplishments of project and promote South-South Cooperation and TCDC utilizing the National Consultancy Team arising from this project.
  - Utilize the Programme Approach, to assist the Government to develop a more coherent overall strategy, policy and implementation of public administration systems reform.
2. Lessons learned (List all lessons learned from the evaluation that may be applied to other projects and programmes)

***Think big.*** Project success is impressive, and probably resulted from beginning with an ambitious agenda. Although only 50% of State institutions and no regions were impacted by the project, the actualised scope is still impressive. The evaluation mission believes that a more modest goal would have resulted in smaller success. The project design was global and complex; the resulting framework was applied widely, although not everywhere envisioned. Even so, the framework has been established, and enough of the methodology and network is embedded to provide proof of the value of the approaches. Extension and application of the approaches to the Ministry of Finance has been designed and funding from a bi-lateral donor has been channelled through UNDP for this next iteration of the network of performance improvement.

***Continuity of personnel.*** In this project, there was continuity of personnel. Both the International Consultancy Team and the remained in tact throughout the duration of the project. This continuity contributed significantly to the work and to the mutual learning and cross-fertilization of experiences and expertise.

***Emphasis on training.*** Throughout the duration of the project, training occurred in Georgia and abroad, in formal settings and on-the-job. In fact, discussions with the National Consultancy Team indicate that they responded to every request for training and assistance with every type of training possible. They were friendly advocates of their system and tried

to de-mystify the systems as much as possible. The evaluation mission feels confident that this openness to training, and indeed the adaptation of training to specific situations and occasions is one reason for the wide acceptance and use of the system.

***Pervasiveness of equipment.*** While the project was basically focused on performance improvement through modernization of methods and systems, much of the advanced methods were embedded in information technology embedded in the two networks (LAN and MAN). Although computers were not provided for each and every civil servant in each relevant institution, sufficient numbers were made available to ensure training and utilization by most persons. Given the modest cost of desktop computers in 2001, it is possible to imagine the Government of Georgia, updating the existing equipment and making more machines (nodes) available.

***“Special” Executive Project Coordinator.*** Although the project had a National Project Director, national counterpart staff, national consultancy team and international consultancy team, a “special” executive project coordinator provided additional continuity on a day-to-day basis and, as shared with a related project, consistent linkage between two projects that shared the same team of international experts. This arrangement served to encourage synergy between the projects and to ensure attention to both conceptual and detail work.

***Government support.*** Political commitment was strong throughout the duration of the project. On the other hand, the economic-financial situation precluded the Government of Georgia from fulfilling its total commitment to cost-sharing. The evaluation mission believes that the 20% contribution from the Government is valuable and that the political level interest in modern and improved administrative systems is especially valuable.

### ***GEO/96/014 - Modernization of the Programme and Administrative Systems of the Ministry of Foreign Affairs in Georgia***

1. Summary of recommendations (provide a summary of the main report recommendations and indicate to whom they were addressed)
  - Make an effort to fund a new project phase; that is, extension of the performance improvement methods to the consulates.
2. Lessons learned (List all lessons learned from the evaluation that may be applied to other projects and programmes)

***Support from the top.*** The Minister and Deputy Minister were consistently strong in their support of the project.

***Value added.*** Value was added when the systems and software were integrated into the university curriculum for preparing students for careers in the foreign service.

### ***Recommendations presented to UNDP/Tbilisi and the Project Executive Coordinator.***

## **TABLE OF CONTENTS**

**1. Introduction**

**2. Context**

**3. Project Concept and Design**

**4. Project Implementation and Project Results**

**5. Findings and Recommendations**

**6. Lessons Learned**

## TERMS OF REFERENCE

One of the priorities of UNDP activities has been and continues to be the promotion of good governance in Georgia. Among these activities special attention is drawn on improvement and democratization of public administration. The presidential program 1996-2000 set forth the main directions and approaches to public administration changes, in particular:

- operational and strategic planning and management;
- systemic and complex approach to public administration;
- decentralization of management;
- information support by employing modern computer facilities and technologies;
- rationalization and optimization of decision making and flow of documents;
- rationalization of and coordination between intra- and intergovernmental agencies.

The UNDP country office together with the government of Georgia launched the two projects in June 1997. The main objective of these projects was the establishment of modern administration system of democratic governance in the State Chancellery and the Ministry of Foreign Affairs. The projects focused on rearranging organizational forms, modernizing processes, methods and instruments of information, analysis and internal administration of the State Chancellery and MFA. To reach the overall objective, the implementation strategy of both projects included the following components:

- information exchange between governmental agencies;
- official mail and document flows;
- co-ordination and management of interrelations within given systems;
- inter-institutional co-ordination of international activities;
- flow of laws and other normative acts within the State Chancellery system;
- information support and management of government-society relationship.

Implemented through the national execution modality by the State Chancellery and the Ministry of Foreign Affairs, the projects were funded by UNDP and the Government of Georgia through cost-sharing contribution. A total amount of US\$ 3.821.569 million were provided to the projects (respectively \$1.996.619 and \$1.824.977).

The actual programme implementation was initiated in 1997 and originally planned for three years. Due to temporary financial limitations, the projects were extended and finalized in early 2001. Main achievements include:

- Capacity built for the twenty most important state and governmental agencies to exchange information with each other with the installation of the Local Area Network and the Metropolitan Area Computer Network;
- MFA's management of information improved with 10 embassies of Georgia abroad linked with each other and able to exchange information with the center;
- Professional capacity of officials and technicians improved through completion of special training courses;
- Institutional restructuring and reorganizations completed;
- Procedures and document flow within State Chancellery and MFA significantly improved through introducing new management technologies.

## **2. Objective of the evaluation**

The evaluation is to follow up to the recommendations of the terminal Tripartite Review (TPR) meetings held during the first quarter of 2001. It has been initiated by UNDP in compliance with the UNDP country office evaluation plan 2001-2003 and the UNDP general monitoring and evaluation guidelines, requiring external evaluations of all projects with budgets of US\$1 million or more.

The evaluation has been scheduled to take place at the end of the projects. It is also meant to coincide with the approval of a new extended programme on information management for increased transparency and accountability at the Ministry of Finance and the preparation of similar programmes for targeted regions. This evaluation will attempt to assess systematically and objectively the projects' relevance and performance to date. Given the interest of UNDP and other partners to consider future support to governance in Georgia, the evaluation should also be forward looking and include recommendations in order to ensure that lessons learned are included in future UNDP assistance in this sector.

## **3. Scope of the evaluation and issues to be addressed**

The evaluation will cover all important aspects and components of the projects as outlined in the project document, taking into consideration developments since the signing of the project document until now. The main tasks of the evaluation will be:

- *Project design and strategy*: the relevance of the project (approach, objectives, modalities of implementation, etc.) with regard to the prevailing context;
- *Projects' execution and implementation arrangements*; the mission should assess relevance and efficiency of the implementation, the modalities used and evaluate if the ways and means applied did fit the current situation and specific conditions of the country.
- *Project objectives and achievements*: the actual project results with regards to the planned end-results; the effectiveness of the approach being used to produce these results;
- *Project finance and management*: the efficiency of project management, including the quality, quantity and timeliness of delivery of inputs, the efficiency of utilization of TRAC 1&2 funds;
- *Projects impact and contribution to sustainability*: review project impact particularly in terms of improving organizational and operational capacity of the given governmental agencies. The mission shall also evaluate the project impact from the point of view of improvement of organizational structure, procedures and rules of management of the State Chancellery and MFA, as well as achievement in strategic planning for democratic governance. Sustainability assessment should include evaluation of strengthened professional capacity of the project staff, officials and technicians involved in the new system management;
- *Lessons learned and recommendations for future assistance*: recommendation to ensure that future activities in the sector will built up on previous progress achieved and assessment of implementation of similar projects for other governmental agencies and/or in regions of Georgia.

## 1 . INTRODUCTION

The projects share a common target of modernization of public administration, beginning with priority areas, the State Chancellery and the Ministry of Foreign Affairs. The objectives of these two closely parallel and complementary projects involve “modernization”, a term that can denote a number of perspectives:

- Introduction of new “cutting edge” technologies, with a view to the enhancement of efficiency and effectiveness of public administration in critical spheres of government;
- Enhancement, more specifically, of coordination through information sharing and consultation among decision-makers;
- Improved strategic and operational coordination, as well as increased speed and quality of information flows;
- Improved communications within the Executive Branch, as well as with the other branches of government and the geographical regions of the country as a whole;
- Greater transparency and accountability in the activities of government, through information sharing, public access to information relating to government actions, and better monitoring of government performance.

Though the enhancement of transparency and accountability are key constituent elements of any cogent policy that aims to improve the effectiveness of public administration, these processes also *reinforce democratic governance*, in the sense that more information is readily available to the public about the government and its operations.

The two projects have now been in existence for close to four years. In this relatively brief period, the projects have accomplished a number of tangible outputs, whose value can be measured in a number of different ways:

- *In terms of innovations*: measured in quantity against the relative absence of similar devices and institutional measures in the past;
- *In terms of visible gains in efficiency and effectiveness*: measured in quality of the speed of government decisions and related administrative actions;
- *In terms of user satisfaction*: measured in terms of increased motivation, lower frustration levels, a greater sense of accomplishment, and ownership;
- *In terms of capacity reinforcement and institution-building*: measured as the production of prerequisites for the consolidation of democratic governance in the Republic of Georgia.

These projects have launched the process of improved management and enhanced democratic governance. Operational *sustainability* depends upon deliberate maintenance and continued adaptation of rapidly evolving technology. Furthermore, operational *effectiveness* depends on training and motivation of the growing number of users not only in the currently affected units, such as, the State Chancellery and the Ministry of Foreign Affairs, but also the many other State institutions likely to be included in the coming years. *Lasting impact* depends on a number of factors some of

which lie within the sphere of government control, but others outside the reach of Government's influence.

Lasting impact of the projects depends on continuation, systematic maintenance, improvement and utilization. For the Ministry of Foreign Affairs, that means expanding the network to reach all twenty-nine (29) constituent embassies, missions and consulates that represent the Republic of Georgia abroad. For the State Chancellery, this means encompassing all agencies of the government, all branches and all regions into a single comprehensive network.

These twin tasks represent a major challenge for the Government of the Republic of Georgia. Given the limited resources at its disposal, the Government will be able to meet this challenge only incrementally and progressively. There are risks in such a strategy, given the multiplicity of unknowable factors in what is, after all, a highly volatile overall environment. But there are also positive factors that augur well for the future and whose continued presence would increase the possibility of success:

- First among those factors, is the expressed commitment of the President and Government of the Republic;
- Second, the presence of capacity in terms of a) teams of highly competent and motivated specialists with demonstrable skills and ability for outreach; and b) a well articulated system and networks, which make effective communication, cooperation and synergy within the spheres of the projects substantially feasible; and
- Third, future support from sources in the donor community.

Noting the results accomplished by the two projects to-date, the evaluation mission suggests that all possible effort be made by both the Government of Georgia and the donor community to enhance and elaborate these systems to ensure maximum relevance, sustainability and impact.

## **2. CONTEXT**

Georgia is an ancient country with a distinct tradition and civilization of more than three millennia. Unfortunately for facing the 21<sup>st</sup> Century, Georgia has relatively little experience with the circumstances that facilitate the gradual evolution of democratic States. In recent history, its independence after the First World War was cut short as a result of its incorporation in the USSR. It was one of the first republics to break away from the Soviet Union during the disintegration of the USSR, and to declare itself a sovereign State on 9 April 1991. In 1995, Georgia adopted a new and still operational constitution that made it a presidential republic with a two-chamber legislature (only one chamber being realized by 2001), and an intentionally independent judiciary. In November 1995, presidential and legislative elections were held. Within the new Presidential Executive Branch, institutional changes were introduced.

According to these arrangements, Executive powers are concentrated in the office of the President of the Republic. He exercises these powers through the apparatus of the State

Chancellery, which represents the main instrument for planning, coordination and control of the government as a whole. In one of the reforms of 1995, the position of Prime Minister was abolished and that of Coordinating State Minister established. He acts on behalf of the President in seeking to control diverse sectors of government activity, in safeguarding the rule of law, in instilling needed unity of direction throughout the Executive Branch and in providing overall guidance in the process of transition to democratic governance.

After ten years of transition in a post-Soviet context, Georgia has experienced a shattered economy, civil strife, social unrest and a high degree of turbulence in the country's immediate surroundings. It must be borne in mind that, under the Soviet regime, the Georgian SSR formed part of a closed economy with well-established networks. These networks created assured markets for the country's agricultural, as well as industrial products and reliable sources of energy at very affordable prices. These networks were dismantled with the disintegration of the USSR, leaving Georgia unprepared to fight for alternative networks in a global market economy.

To compound its problems further, turmoil erupted early as separatist movements began in two major provinces, Abkhazia and Ossetia. What is more, the war in Chechnya occasionally spilled over the Georgian border, resulting currently in influx of refugees, increase in contraband and some border instability. Under these circumstances, it is hardly surprising that the Georgian economy is undergoing a sharp downturn. Since independence in 1991, the country lost four fifths of Net Material Product. According to an estimate of the World Bank, Georgia's GDP declined to a mere US \$363, down from US \$2,280 in 1990. Georgia's ranking on the Human Development Index changed from 108 in 1990 to 108 in 1998. The Organization of European Countries for Development (OECD) denotes Georgia within the group of Least Developed Countries (LDCs).

Some progress has been made during the past five years (1997-2001). Inflation has gradually been brought under control. Macro-economic stability and liberalization combined with privatization induced a measure of growth, although growth declined from 11% in 1996 a current approximate 3%. During these periods, informal and corruption have both risen in every part of the country. The transition to a market economy has resulted in extensive dislocation for significant populations, as well as severe hardship for significant segments of the population. Declining social services and high unemployment rates highlight the social conditions in which fully 50% of the population is reported to live below the poverty level.

As often is the case, women are specially affected by this situation. The findings of a survey published two years ago suggested that women and children had been obliged to assume a major share of the burden of raising household revenue. Moreover, many women have been forced to accept employment well below their qualifications and to work under conditions that were neither safe nor healthy<sup>1</sup>.

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<sup>1</sup> (UNDP, Georgia, *Human Development Report*, 1999, pp.16-17).

Despite some relative gains reflected in the changes in the Human Development Index<sup>1</sup>, the process of transition is characterized by uncertainty prevailing in both the country and region. The overall fragility of the institutional framework deserves particular mention. In face of this situation, the two projects in question (GEO/96/005 and GEO/96/014) represent a twin effort at institution-building and capacity reinforcement in two critical areas: *State management and foreign affairs*. The future prospects for democratic governance and economic development very much depend on successful management in these sectors.

### **3. PROJECT CONCEPT AND DESIGN**

Project design and strategy for both the MFA (GEO/96/014) and State Chancellery (GEO/96/005) activities illustrate the same essential features. They utilize modern concepts of organization and management with effective use of technology. They also demonstrate a systemic approach based on priorities, a keen appreciation of risks, constraints and opportunities and some significant advantages, including the present high level of basic and tertiary education.

Located in the Ministry of Foreign Affairs, GEO/96/014 has sought to assist the process of reaffirming the country's status as a sovereign State in the world community of nations and of building more elaborate relations with foreign States and international agencies.

GEO/96/005 has targeted the improvement of the Executive Branch, beginning with its critical strategic component: the State Chancellery. Both projects moved progressively in a step-by-step approach, by building the foundations for more effective systems of democratic governance. Including the use of modern computer technology, modern management systems introduce, indeed one may say *induce*, some rationality, objectivity and transparency, in place of the arbitrariness and opaqueness, which often characterize traditional bureaucratic organizations.

The projects have contributed to bringing the country more in line with modern management practices. Indeed, in less than four years, the effects on productivity have already become apparent. This is doubly significant because, in addition to gains in speed, efficiency and effectiveness, a "Hawthorne effect" has re-kindled motivation and reinforced morale among the staff. With the Hawthorne effect, employees seem to feel encouraged to improve their performance under conditions in which they are subjected to modernization efforts that are allegedly designed to improve productivity.

Because remuneration is unrealistically low levels (US \$70 per month or less) compared to the calculated cost of living, the government offers few prospects to attract, retain, develop and motivate bright young men and women. Indeed, it would appear that "brain drain" is a problem. The members of the Government, with whom the evaluation team explored this phenomenon, were hopeful that, with time and with gradual improvement of conditions, Georgia would be able to regain its lost talent.

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<sup>1</sup> Ibid p.17

In the long term, the problems of personnel will have to be addressed in a more holistic manner. Administrative reform includes improvement of terms and conditions of service in the public sector as a whole. These two projects established preconditions in terms of modern practice by introducing new rational management structures conducive to greater efficiency and user satisfaction. To some extent, these modern management practices inject *modern management culture* required for the success of administrative reform and progress towards democratic governance.

To accomplish their objectives, the projects relied heavily on Georgia's abundant resources of technical know-how and relevant high - level skills. The projects' utilization of highly skilled national experts has been major factor in their success. The projects provided a framework in which Georgian experts worked with an international team that had already successfully implemented numerous similar projects, mostly in Latin America, in the context of United Nations project activities. This international team contributed significantly to the design and implementation of the two Georgian projects. The international experts were essentially non-resident and Georgian national specialists primarily accomplished the actual work. The Georgian experts were exposed to global concepts and methods through training in Latin America, Georgia and the United Kingdom. This training contributed substantially to exchange of experience and team-building. The establishment and gradual consolidation in this, and the other, national team is regarded as one of the chief components, as well as main accomplishments of these twin projects. These teams represent an important investment towards the sustainability of these projects and continuous management improvement in the future.

The provision of technical tools (hardware, software and networks) was the projects' most tangible outcome. Development and institutionalization of information and administration systems built on these installations. Improvement of public management systems also resulted in improved relations with civil society. The evaluation team was told that civil society and enhancement of its participation in democratic governance would be a future target. Human resources development, however, may be considered as arguably the most critical of all the objectives, because it underpins them all results. On the other hand, improved management practices were applied widely and deeply.

#### **4. PROJECT IMPLEMENTATION AND PROJECT RESULTS**

The projects were designed to be implemented in stages and their results, accordingly, have been produced in relation to *priority* order, logical *sequence* and *feasibility*. The choice of the State Chancellery and the Ministry of Foreign Affairs reflected the necessity to strengthen domestic internal control and coordination, on the one hand, and to reinforce the country's representation abroad on the other.

Selection of these two agencies was related not only to their relative importance but also to the degree of support evinced from both the President of the Republic and the responsible heads of the agencies concerned. The President's direct interest in the projects, expressly manifested through close cooperation with the United Nations Resident Coordinator and with the teams of experts, national and international,

represented crucial factors of success. They accounted for the speedy and smooth progress of the projects' implementation.

The projects were implemented in parallel. Signed in May 1997, the projects started formally on 1 June 1997. The subsequent six months, however, were devoted to the search for and selection of the national teams of experts and the building of these teams. The team-building effort continued during the early months of 1998 through training of most members at centers in Latin America, in Georgia and also studies tours in the United Kingdom. By April 1998, a five-member team for GEO/96/005 was in place. A four-member team was created to work for the MFA. The membership and composition of these two teams is indicated below:

***GEO/96/005:***

- 1. Consultant in Information Systems*
- 2. Consultant in Socio-Political Relations*
- 3. Consultant in Administration*
- 4. Consultant in Institutional Relations*
- 5. Consultant in Information Technology*

***GEO/96/014:***

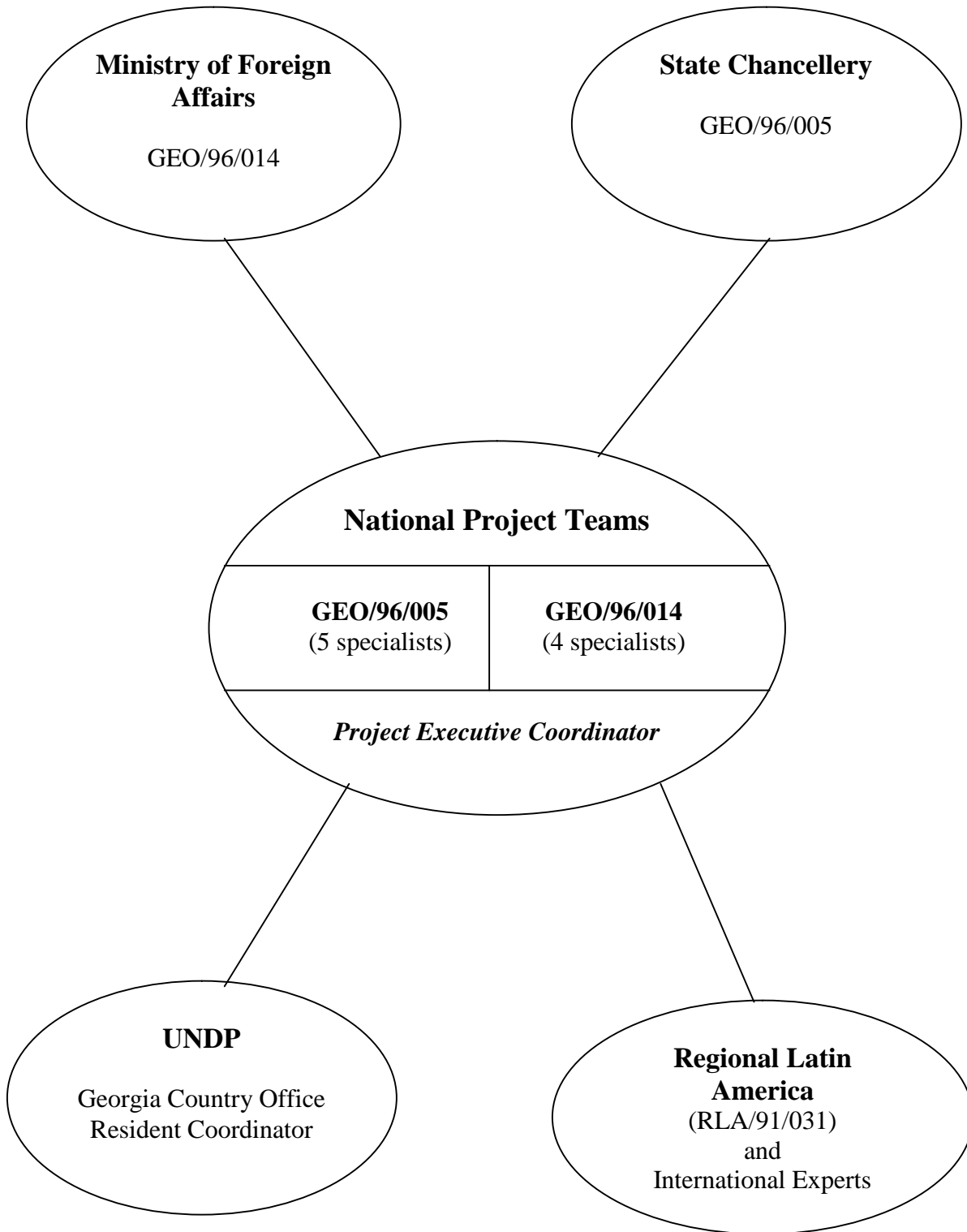
- 1. Consultant in Administration*
- 2. Consultant in Institutional Relations*
- 3. Consultant in Information*
- 4. Consultant in Programming*

What followed were two years of intensive creative activity for which both Georgian teams received periodic advice from Mr. Pierre Vigier and the RLA group of international experts. The teams were, from the start, placed under the auspices of project management councils ensuring continuity, consistency and control of project implementation. In the case of GEO/96/005, Mr. Peter Mamradze, First Deputy State Minister and Head of the State Chancellery of Georgia, was from the start nominated Project National Director and served in that capacity without interruption. Continuous supervision from the Head of the State Chancellery has been a source of strength to which Mr. Mamradze's outstanding working relations with Mr. Borsotti, Resident Coordinator and Mr. Pierre Vigier, Chief Adviser, contributed substantially. From the start, Mr. Mamradze established a pattern of regular weekly meetings. Three senior civil servants and an assistant from the State Chancellery were always in attendance. Minutes were kept of these meetings in order to monitor accurately the progress of each of the project activities, to examine project outputs and to provide official sanction to the results.

In the case of GEO/96/014, Mr. Shota Dogonadze, Deputy Foreign Minister, served as National Director. The project had the advantages of greater homogeneity in terms of subject matter and dealing with a group both much younger in age and also more exposed to current trends and cultures in the global community. Like Mr. Peter Mamradze, Mr. Shota Dogonadze expressed his strong support of the project and its activities to the evaluation team. He spoke with warm approval of its outcomes. He included the interesting information about an innovative addition to the project. He informed the evaluation mission that software concerning organization and management of the Ministry had been shared with the University in order to add to the education, training and practical experience of future candidates for the Ministry of Foreign Affairs.

It may be worthy of note that both Mr.Mamradze and Mr.Dogonadze have accomplished scientific studies and are comfortable using computers. Thanks to their understanding and support, a close working relationship was established between the main components responsible for project implementation. This relationship may be schematically represented as follows:

## DIAGRAM



As the diagram shows, project implementation gained immensely in unity of conception and synergy from the combined services of an International Expert Team, National Expert Teams and a single Project Executive Coordinator, Ms. Manana Salukvadze, who ensured that the two projects could move forward together in complementary ways. One of the many tasks of Ms. Salukvadze was to keep the complex parts of the projects organized in one harmonious whole, ensuring smooth relations and timely implementation of all the project activities. It was also a key input that Ms. Salukvadze was able to communicate effectively in Georgian, Spanish and English, thereby providing linguistic bridges among the various teams, participants and stakeholders.

The context in which the projects were implemented was turbulent environment with various crises often claiming the Ministers' attention. Under the circumstances, smooth implementation and timeliness of outputs of both GEO/96/005 and GEO/96/014 are remarkable. In slightly more than two years, from the spring of 1998, when an improved version of the projects was adopted, to June 2000, the following ensued:

- Two national high-level, high-profile teams of experts were formed, duly trained and made fully operational;
- The requisite technical tools, i.e. hardware, software and networks, were purchased, refined, installed, safeguarded and duly maintained;
- Users manuals, training materials, methodological tools and guides (about 40 items) were developed;
- Multiple training courses, as well as *one-on-one* coaching of personnel in the State Chancellery and Ministry of Foreign Affairs were conducted;
- Extensive research and analysis of organizational structures and processes in the Government of Georgia were carried out;
- Sub-systems have been prepared, in the framework of GEO/96/005, towards a better system of public administration for the development of democratic governance: *Basic national information; Movement of official correspondence and documents; Movement of draft laws and normative acts; Informational support and management for the Government's relations with the public; Coordination and control of intra-institutional relations in the State Chancellery; and Operative and strategic management of the State Chancellery;*
- Ten modules were developed within the first sub-system (Basic National Information) and three each for the two sub-systems on relations with the public and operative/strategic management of the State Chancellery respectively.

All of the above were designed, developed and tested and then "officialized" at Mr. Mamradze's office in agreement with the chief users. They were installed, adapted and subsequently improved. New user guides are currently being prepared. The evaluation mission was shown a demonstration of some of the sub-systems and modules. The mission also had the benefit of a two-hour meeting with the Head of Personnel Dept. in the State Chancellery to review a demonstration of the personnel management systems (1) for all the staff employed in the State Chancellery and (2) for all the personnel

appointed by the President. Apparently, the basic structure of the personnel management information system can be extended eventually to encompass the totality of the staff of the Georgian public service.

All of the above results relate almost exclusively to *Phase I of Project GEO/96/005*, targeting the design, implementation and adaptation of a unified *State Chancellery Information and Administration System*. For all intents and purposes, the system was completed in June 2000. It is fully operational encompassing a major part of the overall activities of the State Chancellery. According to all accounts, both from Mr. Mamradze and other key personnel of the State Chancellery, the system has produced considerable benefits in terms of speed, timesaving, completeness and transparency of information, as well as coordination among cognate departments and services.

Beginning from 1 January 2001, the Government of the Georgian Republic assumed financial responsibility for the activities of GEO/96/005. It needs to be emphasized that much remains to be done. The project identifies work inside the State Chancellery as Phase I. Accomplishments thus far relate to *Phase I (SC LAN)*. *Phase II (Tbilisi State MAN)* targets the linking of the State Chancellery and its Administrative System to the other two Branches of Government (Legislative and Judiciary), some Ministries, Departments and Agencies of the Executive Branch outside of the State Chancellery, the National Security Council, Municipality of Tbilisi / Mayor's Office, the National Bank, and Central Elections Committee. Metropolitan Area Network (MAN) complements the local area network. Eventually, the MAN needs to be extended to the rest of the State institutions. The next stage includes financial management systems involving the Ministry of Finance. Financial institutions are essential to stabilization and development of the Georgian economy. To this end, a project document (GEO/00/005/01/99/A) has been prepared and is scheduled to be signed on 29 October 2001. The project will be nationally executed and financed by the Dutch Government and the Government of Georgia, acting through the UNDP, Georgia.

*Phase III* provides for the linking of *State Chancellery Information and Administration System* to nine provinces and the rest of the Ministries, Departments and Agencies. Given the uncertain conditions prevailing in some regions and the scarcity of resources, Phase III implementation may be slow and incremental. The project team, accordingly, has already established a plan for a pilot project in one province (Imereti) and is seeking funding sources.

Now turning to the Ministry of Foreign Affairs (MFA), considerable progress has been achieved in organization and management, including information management through linkages established with and between ten (10) priority embassies and missions of Georgia abroad. The goals set by the project GEO/96/014 may thus be considered as having been completed. The Government's intention now is to extend this approach to include all twenty-nine (29) embassies, consulates and missions. Professional and technical staff has been trained in the use and maintenance of this information technology.

## 5. FINDINGS AND RECOMMENDATIONS

In addition to the various already-mentioned findings, the evaluation team notes several important factors, both those that have facilitated progress and those that have impeded progress. Furthermore, the evaluation team will note recommendations with a view to safeguarding the projects' main accomplishments.

Overall, the projects have been a great success. This view corresponds to a *consensus* among the main stakeholders; that is, users, stakeholders and other beneficiaries in the State Chancellery and Ministry of Foreign Affairs, as well as individuals involved in the design and implementation of the project outputs, agree that the projects have resulted in improved efficiency and effectiveness in the relevant State institutions. All of the people consulted concluded that one of the principal reasons for this success, as well as a positive factor in the overall project design, implementation and management, is that the objectives set were SMART, that is to say:

*Specific;*  
*Measurable;*  
*Achievable;*  
*Realistic and*  
*Time-bound.*

The development objective was ambitious, but not outrageously so. Had this project of reform attempted the overhaul of the entire administrative system, tampered with sensitive issues of civil service policy, or moved in the direction of comprehensive and expensive transformation, project performance might have been threatened by political and / or economic factors. However, in this case, the objectives set were clear, broadly acceptable, and indeed extremely attractive. Responsive to the expressed wishes of key stakeholders, whose support was necessary for success, the immediate project goals did not invite resistance from important and relevant stakeholders, although they might indeed meet with a measure of apathy in certain quarters. Indeed, the technical nature of the language of the project document may have reduced possible opposition from vested interests. The project components offered new, "cutting edge" methods and technology without specifically threatening any vested interests. The link between the development objective, the immediate objectives and the general configuration of the two projects was *modernization*, a goal that was clear for all to see and very much in tune with the overall objectives of the national transition process. The project components offered concrete and tangible results, while also foreshadowing the prospect of measurable improvement in the not too distant future.

*Opportunity costs* might have prompted some debate at the inception phase. In financial terms, however, the projects made no claims on the country's limited budget resources. The project for the Ministry of Foreign Affairs (GEO/96/014) was fully funded from UNDP sources. As for GEO/96/005 (State Chancellery), cost sharing notwithstanding, the Government ended up paying only a fifth of its required contribution, US\$ 100.000 in all. Nor was the implementation of the projects' goals and activities predicated on

fulfillment of a complex set of conditions that the national authorities have found difficult to meet. By contrast, what the projects called for was a range of skills and know-how that the country possessed in large measure, and to a high degree of excellence, whose performance was fulfilled by the national consultancy team.

A major and positive characteristic of the projects was the ability to join national expertise available in Georgia and knowledge of the country, with international experience of a team experienced in implementing similar projects in diverse national settings. The joining of international and national experience and expertise proved useful for successful implementation. Such knowledge and experience were imparted to both projects by the same international team. Prior successful work in many countries in Latin America, as well as the varied national composition of the team, seemed to influence the choice of the team made by the Resident Coordinator, who knew its members well and trusted their potential. Thus, a partnership was built between the UNDP, the international (RLA) team, the two teams of national experts and key government stakeholders, which worked extremely well. Any residual problems of language and communication were resolved through the recruitment, as Executive Coordinator for both projects, of a Georgian Professor (Ms. Manana Salukvadze), fluent in Spanish, English and Georgian.

The slow deliberate process of building the national teams turned out to be of help. Although the recruitment process took close to nine months to complete, it proved useful in many ways. The relation helped to produce two competent pluri-disciplinary groups of national specialists. These were subsequently sent for training in Latin America, where they could forge relationships of trust and understanding with their international counterparts. A solid foundation of mutual appreciation was thus built which made for cooperation throughout the project period. Another *value added* of this training in Latin America was revision and refinement of the initial project document. The resulting new version, which was finalized in April 1998, reflected a keen sense of the country's complex reality, which may to some extent have escaped the full attention of the authors of the initial draft. Thereafter, progress was fast, with the international team paying visits to Tbilisi at regular intervals of progressively decreasing frequency.

With commitment from the top and a solid competent base of both Georgian expertise and a varied international operational experience, the project could move forward without further major delays. Only the implementation of the metropolitan network, linking the government buildings throughout Tbilisi did experience a three-month delay, apparently for reasons beyond the control of the Government, the UNDP and the contractors involved. Overcoming resistance to change also does not seem to have been an issue, not a serious one at any rate. At the Ministry of Foreign Affairs, the objectives of the project were from the start embraced both by the Deputy Ministry and by the bulk of the staff. The mostly self-contained configuration of the MFA project activities accelerated the progress of implementation. The example set from the top has apparently been followed throughout the organization. The evaluation team was able to review some of the system applications; that is, official correspondence, personnel, finance and payroll. Not all the programmes in place are interactive, and improvements, in due course, will be required to enable the new system to yield full benefits. However, the evaluation team saw evidence

of rapid progress and the visible contentment of both younger and older staff working on their computers in ways that were not possible only a year ago.

In contrast with the project of the Ministry of Foreign Affairs (GEO/96/014), the project in the State Chancellery (GEO/96/005) was much more complex, multi-faceted, demanding, delicate and open to risks that would affect the reach and depth of its implementation. It cannot be overlooked that, like State Chancelleries in many former republics of the USSR, the Georgian State Chancellery *is effectively*, the Government of the Republic. A much more complex agency than the MFA, with almost tenfold the number of employees, it carries the responsibility for coordination, policy planning and management of areas as diverse as National Security, International Cooperation, Fiscal and Budgetary Policy, Agriculture, Economics, Migration, Social Policy, Administrative Reform and etc. The project's main accomplishment has been that it provided tools which to increase the speed of gathering of information for planning, decision-making, control and monitoring of government activities in all these spheres. On the other hand, effective coordination of government policy is depends on many factors, some beyond the project's control.

At this stage, the targeted activities may be considered as partially completed. The Ministry of Foreign Affairs would like to extend the project, which initially covered Headquarters, ten embassies and missions abroad, to encompass all the twenty-nine embassies, consulates and missions of the Republic of Georgia. This will entail some cost to the Georgian Government but will require little additional programming or organizational work. By contrast, what is needed to bring the State Chancellery project to its logical conclusion and fruition is a slightly more ambitious and heterogeneous task. It entails the making of *all State Institutions and provinces* fully interactive. In future it calls for linking the State Chancellery:

- With the rest Ministries and institutional agencies; and
- With all nine provinces and one autonomous republic.

This is a sizeable task, which cannot be accomplished overnight. For technical, financial, as well as political reasons, this task can only be done in stages, progressively. The National Consultancy Team (NCTeam), in close cooperation with UNDP, Georgia, has developed project documents corresponding to the areas that have definite priority:

- ❖ **Modernization of the Financial System of Georgia;**
- ❖ **Modernization of the Regional Public Administration (Imereti Province);**
- ❖ **Capacity Strengthening of the Parliament and of its Foreign Relations Committee; and**
- ❖ **Public administration and management improvement.**

The evaluation team strongly endorses this progressive approach to reform. It fully appreciates the priority accorded to the financial management system on whose effective performance the economic stability and development of the country depend. Integration of the regions into a unified national scheme is also very important, but largely predicated

on complex political factors. The plan to move ahead by means of a pilot project in one province (Imereti) is well founded. Later on, other areas, such as the Adjara Autonomous Republic or Kvemo Kartli Province might be added.

Integration into one system of all the parts and pieces of central and non-central government will likely evolve, as various political issues are resolved. The evaluation team strongly recommends continuation of the implementation of modern coordination, communication and management systems in the internal and inter-institutional frameworks.

To add to its resources and foster *sustainability*, the National Consultancy Team may consider making its expertise available to neighboring countries, which may wish to develop similar systems and programmes. Geographical proximity and relevant “hands-on” experience make the Georgian team particularly attractive as a potential partner in such a “business” venture.

The evaluation team also strongly recommends that the personnel management programme, which is currently in place and working within the State Chancellery, be extended to encompass *all public personnel* at the center and made available as appropriate to the non-central governments. Such a project should be viewed as one of many steps in more comprehensive reform and modernization of the Georgian public service. Many times, Mr. Mamradze and Mr. Dogonadze impressed upon the team the need for such reform as the key to attracting, retaining, developing and motivating the men and women required to make the administration work much better and to move the country forward. Remuneration rates, however important, are only part of the problem. The outputs of the project, which have just been completed, provide the needed basis for progress on several fronts.

It should be emphasized that the quality, utility and effectiveness of the project results, that is modern organization and methods of coordination, communication and management, depend upon proper utilization and maintenance, which applies not only to hardware, software and networks, but also to the behavioral changes that are involved in improved management. Both behavioral and technological infrastructure needs to be nurtured, maintained and periodically upgraded. A fitting conclusion accordingly, is a strong recommendation for budgetary provisions that make such upgrading possible.

One of the main accomplishments and outputs of the projects lies in capacity building and human resources development. National Consultancy Teams have been created. For the State Chancellery project, the team continues to exist. Sustainability of the project outcomes, however, calls for the *institutionalization* of such key project outputs.

## 6. LESSONS LEARNED

In sum, the lessons learned from the success of the projects may be expressed as follows:

- Objectives must be S.M.A.R.T. (specific, measurable, achievable, realistic and time-bound);
- Project objectives and tasks must build on a country's *strengths*;
- Projects must try to join the national skills with relevant and tested foreign technical and operational know-how;
- *Team-building* is critical to successful project implementation; human resources development and training represent essential investments of both time and resources;
- Commitment to the objectives and support of the project activities from the top responsible heads of the national authorities is a *sine qua non* of success; they are best earned and sustained when the project is responsive to *priority* needs of the government and *demand-driven*;
- *Continuity* is important. In this particular case, continuity reinforced *consistency*, a systemic approach to the implementation of project activities and *ownership* of the outcomes. The organizational framework, featuring shared support from one international group of high-level experts and a single projects executive coordinator also proved extremely effective;
- Experience demonstrates the importance of showcasing best accomplishments, in this case, produced by the national team; acknowledging contributions especially from national level; and keeping the national authorities directly concerned with the project *well-informed* and deeply *involved* in the flow of project outcomes;
- Be cost-conscious and *results* oriented; and
- Safeguard the project results and optimize their *impact* and *sustainability* through *institution building*.

## TEXTUAL INFORMATION

### 1. Summary of immediate objectives and outputs (summarize what is stated in the project document)

The development objective was to contribute to the modernization process of the State Administrative Structure (State Chancellery) and to develop operational capacities that can make more valuable the administration of the democratic governance in the sphere of the executive power. Modernization refers to restructuring, improving and updating methods, information technology, and renovated inter-institutional relations with Ministries, decentralized institutions of the executive power, the legislative power, the judicial power, the civil society and the international system.

The four immediate objectives were:

- Adapt functions, organizational structure forms and procedures of work of those services and departments of the Chancellery more directly associated to support deputy ministers and to the President in the sphere of information, programming, and strategic and operational administration.
- Improve the efficiency of the current operational relations that the State Chancellery maintains with main ministries and decentralized institutions of the executive power, improving current methods, procedures and technical supports used for the exchange of information and the programming and administration of joint activities.
- Contribute to improving the quality of relations of the Presidency of the Republic and sectoral ministries with the legislative committees, through improved exchange of information and processes of shared work for treatment of initiatives, elaboration, negotiation, sanction, publication, regulation and execution of new laws.
- Incorporate new methodologies, processes of work and technical support for the internal and day-to-day work of deputy ministers, directors of services and departments, and for the relations among these parts of the Chancellery with other ministries, and particularly direct support to the strategic and operational administration of the Presidency and relations of the Government with international and national civil society.

The main outputs were to have been:

- SC LAN (State Chancellery Local Area Network) [hardware, “standard” software].
- Tbilisi MAN (Metropolitan Area Computer Network) [hardware, “standard” software for a wide-area network to link state institutions], linked to existing LANs in institutions, where available.
- Specialized integrated software for, *inter alia*, information support and flow of basic national and international information, draft laws and normative acts and documents, government-society relations, operational and strategic public administration, the State Chancellery’s internal coordination and control, calendar, procedures, the Presidential Management Center, the arrangement and management of an officer’s multi-purpose work place, the operational graphic working environment, public service, personnel management, editing and record-keeping.
- Recommendations for and establishment of new services, such as Mass Media and Civil Society Promotion Centre, Operational Planning and Management Service, Computer Technologies (IT) Service, and Personnel Service.
- Recommendation of improved organisation and management methods, particularly information access, control and flow.
- Recommendations for improved management of State Chancellery.
- Drafting of related normative acts and documents.
- Training in improved management and coordination methods, including utilization of LAN and WAN.

- Increased “Public Service” professionalism, mentality, standard of work and extent of responsibility.

2. Findings on project identification and design (provide a summary of the evaluation findings on project identification and design)

The identification and design of the project was highly satisfactory. In the context of a new national Constitution (1995), it is most appropriate to review intra- and inter-institutional management and operational issues. Also, in the context of transitional societies in the 1990s, it was most appropriate to revise relations between Government and society, and among executive, legislative and judicial powers. Furthermore, it is always appropriate to improve management, operations and especially coordination. Indeed, modern management requires continuous improvement of management, operations and coordination. This particular project highlights several important design issues: (1) utilization of information technology, (2) evolving specification of activities and outputs as issues emerged, and (3) regular and continuing dialogue between national counterparts, the National Consultancy Team and the international consultancy team. Each of these elements was consciously built into the project design, thereby enabling the project to increase its usefulness exponentially.

Eventually, the project evolved an exceptionally rational approach to organization development. Three nearly parallel actions were put in place: (1) development of model organization and management strategies [including IT], (2) application of these strategies in the State Chancellery, and (3) application of these strategies in several State institutions. Furthermore, a model was created but not implemented for a region. The application process provided test sites for modules that were thereby refined. This useful relationship between theory and application sets in place the practice of thoughtful and reflective improvement. Because the test sites were both at the State Chancellery and at the particular level, support has been established at highest and operational levels.

Although this project does not officially use the “programme approach”, it embodies the spirit of the “programme approach”. Essentially, through the vehicle of the project, the Government evolved a philosophy of “performance improvement” through improved organization and management methods. Through the embedding of this philosophy in normative acts and through publicity concerning organizational effectiveness, the possibility of spreading the philosophy of “performance improvement” throughout government institutions is increased.

3. Findings on general results of the project (include findings on relevance, performance and success)

General results of the project are both tangible and intangible; that is, while some results are visible in equipment installed, documents prepared and services / centres established, other results are less visible and in the form of “changed and improved behaviour” both professional and especially in relationships.

The most visible outputs of the project are the elaborate information technology networks that support the operations of the State Chancellery. These networks are:

1. SC LAN (State Chancellery Local Area Network) that is solely within the office and building of the State Chancellery
2. Tbilisi MAN (Metropolitan Area Computer Network) that, as a wide-area network (WAN), links the State Chancellery to the following:
  - Parliament
  - Constitutional Court
  - Supreme Court
  - National Bank
  - Central Election Committee
  - Municipality of Tbilisi / Mayor’s Office of Tbilisi
  - National Security Council
  - Ministries of (1) Economy, industry and trade, (2) Justice, (3) Transport and communications, (4) Foreign affairs, (5) State security, and (6) Social security, labour and employment

- State Departments of (1) Tax, and (2) Statistics
- State Agencies of (1) President's library, (2) Social information and management centre, and (3) President's archive

These networks consist of hardware, standard software and specialized integrated software for, *inter alia*, information support and flow of basic national and international information, draft laws and normative acts and documents, government-society relations, operational and strategic public administration, the State Chancellery's internal coordination and control, calendar, procedures, the Presidential Management Center, the arrangement and management of an officer's multi-purpose work place, the operational graphic working environment, public service, personnel management, editing and record-keeping. In those institutions that already had computers and / or a LAN, the project connected the State Chancellery to the existing system, making adaptations where necessary in hardware and software. The networks are essentially a sophisticated document management system, through which the work of the State Chancellery is more effectively carried out. The performance indicators of effectiveness include: speed of action, reduction to zero in loss of documents, and sharing of documents among relevant officials and services. These networks are fully utilizing the equipment and softwares provided by the project; the networks are being maintained and are likely to be maintained in the future. It is significant to reiterate that these networks are secure, properly maintained and all components are accounted for.

The project also recommended and established some new services, such as Mass Media and Civil Society Promotion Centre, Operational Planning and Management Service, Computer Technologies (IT) Service, and Personnel Service. These new services resulted from analysis, recommendations, planning and implementation by the project. Several of the services were visited by the evaluation mission and are functioning at a high level.

The project made recommendations for improved organisation and management methods, particularly information access, control and flow. Specific recommendations for improved management were drafted for the State Chancellery. This analysis and recommendation process included drafting of necessary normative acts and documents.

More than 500 people have been trained in the new organizational, management and coordination methods, including utilization of LAN and WAN. The extensive training included publication of many training materials and adaptation of materials and training methods to particular learning situations. The utilization of the networks and the smoothing of inter-institutional relations are a very direct result of the excellent quality of the training.

Indirectly, the project has increased "Public Service" professionalism, mentality, standard of work and extent of responsibility. Several examples are apparent. The personnel management information system contained both abbreviated and complete records of careers and accomplishments. Based on these records, batches of candidates for promotion can be assembled for decision-making. As well, the information can be made readily available to the media. The document control system is used not only to locate documents but also to monitor task accomplishment. The development of this system required commitment to clarifying responsibilities at various levels and units of the bureaucracy. The existence of the system is a constant reminder of the standard of "sharing work" and accomplishing "one's input" into the shared work. Several directors mentioned that they monitor work and secure accomplishments more efficiently and effectively.

Of course, the utilization of new methods and the standards of work methods differ among services and among individuals. The networks and training have combined to create a working platform that is more utilized by some than others. In an effort to extend and standardize its impact, the project has prepared a draft Presidential Decree that will require the application of the new public administration system improvement reforms throughout the State bureaucratic machinery. This Decree is likely to be promulgated well before the end of Year 2001.

An additional result of this project is the establishment and nurturing of a national consultancy team. Based on observations, presentations and answers to questions, the evaluation mission concludes that this team is world-class. They could contribute significantly to any organization development effort in any

country. It is significant to note that they are not only extremely knowledgeable but also highly skilled in the interpersonal styles necessary for effective training and organizational transformation. It is clear that the National Consultancy Team and national counterparts, with assistance from the international consultancy team, were jointly involved in all stages of analysis, recommendation and implementation. As well, the national project office is well-organized and represents an up-to-date resource centre for organizational innovation.

Originally, the project foresaw the possibility of applying improved management methods and linked information technology to all State institutions and to all regions. Unfortunately, the project cost was underestimated, and some elements had to be eliminated. Only 20 of the 40 State institutions are included in the MAN, and no provinces were included at all. The methods and technical system are ready to be extended to all State institutions, and a model of the methodology of extending the systems to the provinces was prepared by the project. These extensions are waiting for additional financing.

Unfortunately, the Government of Georgia was able to provide only 20% of promised cost-sharing. This reduction in national contribution also limited the envisioned scope of the application of the methods and the technology.

6. Lessons learned (List all lessons learned from the evaluation that may be applied to other projects and programmes)

**Think big.** Project success is impressive, and probably resulted from beginning with an ambitious agenda. Although only 50% of State institutions and no regions were impacted by the project, the actualized scope is still impressive. The evaluation mission believes that a more modest goal would have resulted in smaller success. The project design was global and complex; the resulting framework was applied widely, although not everywhere envisioned. Even so, the framework has been established, and enough of the methodology and network is embedded to provide proof of the value of the approaches. Extension and application of the approaches to the Ministry of Finance has been designed and funding from a bi-lateral donor has been channelled through UNDP for this next iteration of the network of performance improvement.

**Continuity of personnel.** In this project, there was continuity of personnel. Both the International Consultancy Team and the National Consultancy Team remained in tact throughout the duration of the project. This continuity contributed significantly to the work and to the mutual learning and cross-fertilization of experiences and expertise.

**Emphasis on training.** Throughout the duration of the project, training occurred in Georgia and abroad, in formal settings and on-the-job. In fact, discussions with the National Consultancy Team indicate that they responded to every request for training and assistance with every type of training possible. They were friendly advocates of their system and tried to de-mystify the systems as much as possible. The evaluation mission feels confident that this openness to training, and indeed the adaptation of training to specific situations and occasions is one reason for the wide acceptance and use of the system.

**Pervasiveness of equipment.** While the project was basically focused on performance improvement through modernization of methods and systems, much of the advanced methods were embedded in information technology embedded in the two networks (LAN and MAN). Although computers were not provided for each and every civil servant in each relevant institution, sufficient numbers were made available to ensure training and utilization by most persons. Given the modest cost of desktop computers in 2001, it is possible to imagine the Government of Georgia, updating the existing equipment and making more machines (nodes) available.

**“Special” Executive Project Coordinator.** Although the project had a National Project Director, national counterpart staff, national consultancy team and international consultancy team, a “special” executive project coordinator provided additional continuity on a day-to-day basis and, as shared with a related project, consistent linkage between two projects that shared the same team of international experts. This arrangement served to encourage synergy between the projects and to ensure attention to both conceptual and detail work.

***Government support.*** Political commitment was strong throughout the duration of the project. On the other hand, the economic-financial situation precluded the Government of Georgia from fulfilling its total commitment to cost-sharing. The evaluation mission believes that the 20% contribution from the Government is valuable and that the political level interest in modern and improved administrative systems is especially valuable.