Centralization of Policy Development and Coordination Systems – The Case of the Government of Georgia

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Abstract

Georgia has been implementing comprehensive public administration reform since 2015. One of the pillars of the reform is Policy Planning and Coordination aiming at the development of a policy making process by improving the policy planning system, strengthening the link between policy planning and budgeting, and building strong mechanisms for monitoring, evaluating, and accountability. The paper aims to review this case in the background of Digital-Era Governance (DEG) - a new theoretical paradigm of public administration. Three key themes of the DEG have been used for the analysis - *Reintegration, Needs-based holism and Digitalization.* In particular, the paper will test to what degree the key assumption under each theme is applicable to the case – whether the system envisages processes of joined-up governance (JUG), re-governmentalization, reinstating central processes, needs-based reorganization, data warehousing, etc. The paper has also considered the aspects of mindset change in public administration that affects the proper introduction of the innovation in the public sector. Finally, the paper has also reflected on how a crisis, such as a pandemic, impacts on Policy Development and Coordination systems in the public sector.

1. Introduction

Modern societal challenges require a holistic approach from the public administration. The needs and demand of the public from the governments has been evolving in parallel with economic development. This, in turn, puts additional emphasis on public agencies to deliver public services to the citizens in a customer-friendly and more coordinated manner tailored specifically to their needs. On the other hand, public administrations in the developed countries try to cope with these new demands and reform their structures that would enable timely and needs-oriented service delivery.

However, in practice, this is difficult to achieve. "Departmentalism" and "tunnel vision" of the public agencies is a prevalent feature of the governments, preventing them to offer holistic solutions to the challenges of its citizens. In academia, this phenomenon is called a siloed nature of the government described as "a hierarchical organization which seeks to maximize vertical coordination at the expense of horizontal coordination. It [silo] is inward-looking and self-contained with little regard for outcomes other than those which affect its own narrowly conceived goals" (Scott & Gong, 2021). Silos in public administration are identified as the cause of poor organizational performance or policy failure due to the failure to share knowledge and information within the public sector organizations (Bundred, 2006).

In public administration, as in any organization, division of labor is important for the delivery of quality products and services to the citizen. Luther Gulick, one of the theoreticians of the management and considered by many to be the "Dean of American Public Administration", claims that "division of work and integration are the bootstraps by which mankind lifts in the process of civilization" (Gulick, 1937).

Gulick is also praised for his attempt to elaborate universal functions of each organization, including in public administration. In particular, he maintained that Planning, Organizing, Staffing, Directing, Co-ordinating, Reporting and Budgeting (and thus, acronym POSDCORB) are the processes through which effective "work division and integration" can be achieved (Gulick, 1937). However, application and implementation of the POSDCORB approach by governments as a whole including in public administration, is extremely difficult in practice. This difficulty is especially compounded in governments with little historical heritage of good governance.

The concept "work division and integration" in the public administration has been further amplified by new theoretical paradigm of public administration - Digital Era Governance (shortly DEG) - claiming that in the times of the massive advancement of Information and Communication Technologies (ICT) there is a tendency of reintegrating functions into the governmental sphere (as opposed to disaggregation – as suggested by New Public Management), adopting holistic and needs-oriented structures, and progressing digitalization of administrative processes (Dunleavy, Margetts, Bastow, & Tinkler, 2006).

In practical terms, all these components have been put together and manifested in the European Principles of Public Administration (EPPA) which define what good public governance entails in practice and outline the main requirements to be followed during the European Union (EU)

integration process (OECD/SIGMA, 2014). Namely, the EPPA covers planning, coordination, civil service, accountability, service delivery, and finance management areas.

This paper aims employ the three components of the POSDCORB, namely **Planning, Coordination** and **Reporting** (or Policy Development and Coordination from EPPA perspective) as the key building blocks for ensuring a whole-of-government approach and examine the case of Georgia. The case study will also be reinforced by applying the main theoretical assumptions of DEG to the case. Considering that Georgia has a relatively young public administration, granted 30 years of sovereign independence, while at the time being the EU membership aspiring county, this paper is an attempt to ascertain whether the Public Administration Reform in the country has led to the establishment of Policy Development and Coordination (shortly PDC) practices and to what degree it is characterized with reintegration, needs-based holism, and progressing digitalization of its administrative processes.

Furthermore, the paper also considers the significance of the Policy Planning and Coordination in times of crisis. As mentioned above, the citizens expect the governments to act as a whole and not in silos to deliver the results. This approach becomes even more expedient in times of crisis. The Covid-19 pandemic has clearly demonstrated the tendency that societies largely turn to the governments (not the silos) for "saving" ultimately leading to a situation of "the hour of the executive". For example, even the German Parliament, with strong controlling mechanisms over the executive, quickly moved to fully subordinate itself to such practice, with no opposition from the ideologically diverse public. As assessed by Wolfgang Merkel "during the COVID-19 crisis there was a shift to a state that is desired and approved by the people through opinion polls" (Merkel, 2020).

The case study reviews regulatory and methodological documents as well as the data provided by the government of Georgia. In addition, it reviews assessment reports of the civil society and international organizations.

At first the article explores theoretical and practical assumptions of the public administration in modern life. In particular, the chapter describes the key theoretical assumptions of DEG and how they can be applied to the PDC as standardized by the European Principles of Public Administration. Next, article provides information about Public Administration Reform in Georgia and outlines the key characteristics as well as the practices of the policy development and coordination system in the country, and finally, article draws conclusions based on the analysis and elaborates key recommendations for the government of Georgia as well to any other public administration with similar backgrounds.

2. Theory and Practice of Public Administration

The classical theory of public administration provides that the bureaucracy is the best form of governance, with a clear hierarchy of offices and departments. Each office has a sphere of competence and public servants are selected on basis of technical qualification and career development system work (Weber, 1978). However, the most important notion for the classical

understanding of the public administration is the Rule-based system which is enforced in the practice by the impersonal bureaucracy.

In contrast to the traditional model of governance, the New Public Management (NPM) puts emphasis on decentralized administration, the delegation of discretion, contracting for goods and services, and the use of the market mechanisms of competition and customer service to improve performance. In NPM model accountability is achieved through the measurement of outcomes rather than inputs (Pfiffner, 2004).

The NPM suggested the incorporation of some principles of the business style governance in the public sector with the hope of more object-driven and result-based management tendencies. In the 1990s the principles of the New Public Management has become the "gold standard for administrative reform" (Peters, 1997). However, the main critics of the NPM suggest that citizens do not have a choice between the government services (unlike in the private sector) which is essential to the economic concept of a customer (Denhardt & Denhardt, 2007).

The process of re-alignment from a competitive approach towards a more career based, professional system ensued in Europe in the past decades while the academic debate centered over the relevance of New Weberian System v. Weberian system as a better model, especially for Central and Eastern European countries. In parallel, new approaches to PA such as the Digital Era Governance (DEG) also emerged (Dunleavy, Margetts, Bastow, & Tinkler, 2006).

Notably, practical shift from NPM to a Weberian model occurred rather swiftly in Georgia as the new ruling majority embarked on a PAR reform since coming to power in 2012. This newly initiated and much needed reform process was predominantly modeled after the Weberian system, and the process had its downsides: it had failed to transcend the beneficial side of the previous NPM approach while at the same time seemed to be failing, due to certain hybrid practices, to fully capitalize on the benefits of the Weberian model (Akobia, 2021, pp. 247-248). Beyond these models, the pressure of example from the success stories in the developed countries as well as the rapid expansion of technology-based solutions in governance, more progressive and appropriate model of public administration is needed as a new model for Georgia, such as the digital-era governance model (Akobia, 2021, p. 249).

Therefore, in the proposed case study we look at the extent the recent PAR reforms in Georgia reflect the traits of new tendencies identified in the DEG, while assessing the deficiency in the PAR process and formulating recommendations for transforming the current PA approach into a more progressive model that will better serve the objective of both the good governance and the EU integration.

2.1. Digital Era Governance

With the emergence of the Good Governance as a model of the public administration coupled with the rapid development of the Information and Communications Technology (ICT) a new theoretical paradigm has been suggested by Patrick Dunlevy and others (Dunleavy, Margetts, Bastow, & Tinkler, 2006). Namely, the authors suggest that the NPM is obsolete in ''Leading-Edge'' Countries and Digital Era Governance is a better approach. The authors present criticism of three main assumptions of New Public Management: Disaggregation, Competition, and Incentivization. In response, the article presents 20 components/trends that can be observed in the public administrations of developed

countries that underpin the key theoretical assumption of the Digital Era Governance. These components are structured around three key themes:

Reintegration

As opposed to the disaggregation of the public agencies into separate quasi-private, single-function organizations, which, for example, has left New Zealand (one of the leaders in NPM reforms) with more than three hundred separate central agencies and forty tiny ministries, the public administrations now try to roll back the changes and centralize most of the process (Dunleavy, Margetts, Bastow, & Tinkler, 2006). However, this should not be seen as going back to Weberian rigid structures of bureaucracy.

There are **eight components** identified under the reintegration theme:

#	Component	Explanation
C.1.1	Rollback of Agencification	*Mergers, re-assimilations of agencies back into ministerial or state body structural units, such as cohesive departmental groups*
C.1.2	Joined-up governance (JUG)	*Departmental amalgamations due to the joint IT convergencies at central or federal levels that allows better policymaking and coordination. For instance, creation of the Department of Homeland Security in the United States, a response to the previous deficiencies of agency fragmentation highlighted by the 9/11 terrorist massacre*
C.1.3	Re-governmentalization	*Rolling back the private sector outsourced government services back to the public administration.*
C.1.4	Reinstating central processes	*Reestablishing centrally driven policies and processes that eliminates duplicated mechanisms and hierarchies.*
C.1.5	Radically squeezing production costs	*Due to ICT system development radically cutting the production costs, including expenses related to the human resources – radical reduction of number the civil servants*
C.1.6	Reengineering back-office functions	*Business process systemization that offers on the one hand optimization by scraping of the historic processes that devoid of current rationale and integration of the interlinked services that are now treated isolated*
C.1.7	Procurement concentration and specialization	*Centralization of government-wide procurement, which allows overall cost-savings in the purchase of the goods and services which are horizontal for all the public agencies*
C.1.8	Network simplification	*Avoidance of the double or triple regulatory agencies that create yet additional "Boutique-bureaucracies" for highly articulated networks of public agencies*

Table 1: Eight Components of Reintegration. Adapted by authors from Dunleavy, Margetts, Bastow, & Tinkler, 2006

Needs-based holism

The main assumption of the DEG under this theme rests on the principle that the public demands are diverse and public administration is increasingly prone to respond to these needs rather than just simply discharge their administrative duties. The theme requires public administration to simplify and change the entire relationship between agencies and the citizens. It goes without saying that this can only be achieved through using ICT capabilities, but also through the development of a more ''agile'' government that can respond speedily and flexibly to changes in the social environment.

Needs-based holism rests on the six components explained in table 2:

#	Component	Explanation
C.2.1	Client-based or needs-based reorganization	Re-configuration of the public administration based on the needs of the citizens or the group of the citizens, so that one agency, not several others, may deliver services to the clients
C.2.2	One-stop provision	Provision of the services by the same co-located staff in physical terms or web-integrated services through distant manner, which eliminates duplication problems.
C.2.3	Interactive and ''ask once'' information-seeking	Government agencies pro-actively collecting and storing information in a more holistic view of people's needs and preferences so that it can be used by other agencies as well, avoiding fragmented and super-siloed administrative systems.
C.2.4	Data warehousing	Systems and practices where data about specific policy area or citizen needs are collected in a searchable manner and can be accessed/searched for the policy purposes.
C.2.5	End-to-end service reengineering	Taking holistic view of each government service and redesigning its delivery models through assumption that it was delivered by a single agency.
C.2.6	Agile government processes	In the fast-changing environment decision-makers need to be agile when deciding for certain policy option. Agile government focuses on achieving a public management that is capable of quickly reconfiguring to changing needs.

Table 2 Six Components of Needs-base Holism. Adapted by authors from Dunleavy, Margetts, Bastow, & Tinkler, 2006

Digitalization

Dunleavy and others do not look at digitalization through only e-governance prism, such as the delivery of some public services using the internet but as a transformational concept for the public agencies themselves. The authors claim that a major outcome of the digitization processes is achieved via organizational and cultural changes in the government or public administration itself.

This theme is also constructed around six components described in table 3:

#	Component	Explanation
C.3.1	Electronic service delivery	This the most classical understanding of the e-government. In particular, transformation of physical public services into electronic service make delivery possible through distant forms.
C.3.2	New forms of automated processes—zero touch technologies (ZTT)	By deployment of the electronic systems and automated processes, two positive effects can be achieved: 1) decrease amount human resources required for the service delivery 2) decreasing among of human errors in the process. Automatization of the processes increase efficiency of a public agency
C.3.3	Radical disintermediation	Establishing direct contacts to decision-makers, without the need to engage with the intermediaries such as public agencies or civil servants.
C.3.4	Active channel streaming	Using already established electronic channels for the management of the displacement of service users, with a promise to cut extra administrative costs.
C.3.5	Facilitating isocratic administration and co-production	Through massive deployment of the ICT, the citizen is not only a service recipient but also co-producer of certain type of policy. In Digital government era, citizens will increasingly co-produce most individual outputs using electronic processes, leaving agencies to provide only a facilitating framework
C.3.6	Moving toward open-book government	The citizens have the right to access and view the data that is collected about her/him by the public administration. Using the electronic means this becomes more as more possible. However, on the other hand, this also means online accessibility of the information on government performance and reports in certain policy area, increasing overall accountability.

Table 3: Six Components of Digitalization. Adapted by authors from Dunleavy, Margetts, Bastow, & Tinkler, 2006

2.2. European Principles of Public Administration

Besides theoretical assumptions it is important to consider is public administration conceived in practice. The concept of good public administration is part of the EU Charter of Fundamental Rights. The European Union sees well-functioning public administration to be one of the pre-requisites for the membership in the EU. Initially, in 1993 the Copenhagen Criteria comprised of Political, Economic and Administrative/Institutional criteria – established three basic directions of the reforms required for any applicant country to qualify for the EU membership. Further on, in 1995 the Madrid European Council reinforced these criteria for the EU membership and emphasized the importance of the Administrative Capacity to transpose *acquis* without „unnecessary burdens on business activity, through a process of legislative and administrative simplification which must preserve the 'acquis

communautaire' and be accompanied by national measures contributing to the same objective" (The European Council, 1995)

In parallel, the EU in cooperation with the Organization for Economic Cooperation and Development (OECD) has established an initiative "Support for Improvement in Governance and Management" – SIGMA, which aims at strengthening of public governance, and hence support socio-economic development through building the capacities of the public sector, enhancing horizontal governance and improvement of the design and implementation of public administration reforms.

The notion of a European Administrative Space was put forward by SIGMA in 1999. It included components such as reliability, predictability, accountability, and transparency, as well as technical and managerial competence, organizational capacity, financial sustainability, and citizen participation. In 2014, with the support of the European Commission, the SIGMA published the first version of the European Principles of Public Administration (EPPA). The principles are coupled with a monitoring framework that consists of a comprehensive set of quantitative and qualitative indicators, measuring the existence of preconditions for successful reforms (laws, policies, structures, and procedures) and the actual outcomes of the reforms, that is how the administration performs in practice. For each principle, there is a designated number of indicators and sub-indicators drawing on different methodologies (OECD/SIGMA, 2014).

The EPPA is based around six reform areas:

1. Strategic Framework of Public Administration Reform
2. Policy Development and Co-ordination
3. Public Service and Human Resource Management
4. Accountability
5. Service Delivery
6. Public Financial Management

In total, there are 48 principles distributed among the six areas. Policy Development and Coordination is attributed with 12 principles (OECD/SIGMA, 2017). Comparative analysis of theoretical assumptions of the DEG and the indicators and sub-indicators set by SIGMA in the principles in the area of Policy Development and Coordination shows that some of the assumptions of DEG components are reflected in the EPPA. Namely, tendencies described under components of joined-up governance (C.1.2) and reinstating central processes (C.1.4) are mainstreamed in SIGMA PDC Principles:

1 - Centre-of-government institutions fulfil all functions critical to a well-organized, consistent and competent policy-making system
3 - Harmonized medium-term policy planning is in place, with clear whole-of-government objectives, and is aligned with the financial circumstances of the government; sector policies meet government objectives and are consistent with the medium-term budgetary framework.
5 - Regular monitoring of the government's performance enables public scrutiny and support the government in achieving its objectives.

6 - Government decisions are prepared in a transparent manner and based on the administration's professional judgement; the legal conformity of the decisions is ensured. and
8 - The organizational structure, procedures and staff allocation of the ministries ensure that developed policies and legislation are implementable and meet government objectives.

Other components, mostly in the areas of service delivery, accountability, and civil service management are also reflected in the EPPA.

Therefore, it can be argued that the requirements of the principles are not merely conditions set forth in the process of harmonization of the public administration in the aspirant country, but they are largely based on the most advanced theoretical assumptions as well as general practices in PA.

3. Case Study - Policy Development and Coordination System in Georgia

Although Policy planning and Coordination is not a traditional Government-to-Citizen (G2C) service, it represents a core function for effective government, and thus, is significant for the theory testing. Luther Gullick's POSDCORB model may be of help here. In his landmark book "Notes on the Theory of Organization" Gulick coined the acronym POSDCORB to describe seven key functions of a public organization: planning, organizing, staffing, directing, coordinating, reporting, and budgeting (Gulick, 1937). Although all seven are relevant for the study of public administration, this article primarily concentrates on Policy Development and Coordination these three principles are essential:

- **Planning** - "working out in broad outline the things that need to be done and the methods for doing them to accomplish the purpose set for the enterprise" (Gulick, 1937, p. 13)
- **Coordinating** – "Coordinating (cooperating), that is the all-important duty of interrelating the various parts of the work" (Gulick, 1937, p. 13)
- **Reporting** – "Reporting, that keeping those to whom the executive is responsible informed as to what is going on, which thus includes keeping himself and his subordinates informed through records, research and inspection." (Gulick, 1937, p. 13)

These three components are an integral part of the European Principles of Public Administration. In particular, in order to ensure proper policy planning, development, co-ordination, implementation and monitoring according to EPPA the following is important:

- Establish a policy framework that will help to ensure that individual policies are consistent with national goals and priorities;
- Provide the necessary capacity and procedures for **advance planning** of policy and legislative outputs;
- Provide institutional capacity for overview and **co-ordination to ensure horizontal consistency among policies;**
- Provide decision makers with advice that is based on clear definitions and good analysis of issues, and that contains explicit indications of possible inconsistencies and contradictions;

- Include consultative mechanisms to anticipate, detect and resolve policy conflicts early in the process and improve coherence;
- Include procedures to achieve effective reconciliation between policy priorities and budgetary imperatives;
- Include **monitoring mechanisms** to ensure that policies can be adjusted in the light of progress, new information and changing circumstances (OECD/SIGMA, 2017).

From the theoretical assumptions of the Digital Era Governance not all themes and components may be relevant for the Policy Development and Coordination analysis. Considering that most of the assumptions of DEG primarily deals with the structures, rather than the process, not all 20 components will be used for checking the prevalence of components put forward by the theory in a chosen case study. In a graph below we provide a matrix of components that are relevant and can be tested in a chosen case as well as ones that are irrelevant or difficult to test for the PDC:

#		Relevance to PDC		
		Policy Planning	Policy Coordinating	Policy Monitoring & Reporting
Theme 1: Reintegration				
C1.1	Rollback of Agencification	NR	NR	NR
C1.2	Joined-up governance (JUG)	IR	IR	IR
C1.3	Re-governmentalization	NR	NR	NR
C1.4	Reinstating central processes	DR	DR	DR
C1.5	Radically squeezing production costs	NR	NR	NR
C1.6	Reengineering back-office functions	NR	NR	NR
C1.7	Procurement concentration and specialization	NR	NR	NR
C1.8	Network simplification	NR	NR	NR
Theme 2: Needs-based holism				
C2.1	Client-based or needs-based reorganization	NR	NR	NR
C2.2	One-stop provision	IR	IR	IR
C2.3	Interactive and ''ask once'' information-seeking	NR	NR	NR
C2.4	Data warehousing	DR	DR	DR
C2.5	End-to-end service reengineering	NR	NR	NR
C2.6	Agile government processes	DR	DR	DR
Theme 3: Digitalization				
C3.1	Electronic service delivery	IR	IR	IR
C3.2	New forms of automated processes—zero touch technologies (ZTT)	IR	IR	IR
C3.3	Radical disintermediation	NR	NR	NR
C3.4	Active channel streaming	NR	NR	NR
C3.5	Facilitating isocratic administration and co-production	NR	NR	NR
C3.6	Moving toward open-book government	NR	NR	NR

Table 4: Relevance of Key Themes and Components of the DEG to Policy Development and Coordination. NOTE: Legend – NR = Not Relevant; IR – Indirectly Relevant; DR – Directly Relevant. Table compiled by the Authors based on Dunleavy, Margetts, Bastow, & Tinkler, 2006.

For checking the prevalence of theory proposed components in the Georgian case, we have worked out three categories of components for our case: **Not Relevant (NR)** –the component, due to its structure or strongly G2C service-related character, is not relevant for planning, coordinating or reporting and thus, will not be considered during the analysis; **Indirectly relevant (IR)** – the component may not be directly relevant for either planning, coordinating, or reporting, but its presence would still affect (in positive or negative manner) functioning of the PDC'. **Directly Relevant (DR)** – the concerned component is directly connected to the planning, coordinating or monitoring/reporting practices in the government and is considered for the analysis.

We propose, that the components with the Direct and Indirect Relevance are important to be considered for the Policy Development and Coordination System that exists in Georgia

3.1. Public Administration Reform (PAR) in Georgia

Georgia signed the EU Association Agreement (AA) in 2014. One of the commitments in the AA is the implementation of Public Administration Reform (Article 4). In 2015 the Government of Georgia (GoG) adopted Public Administration Reform Roadmap 2020 which, in line with the EPPA, outlined six specific directions:

1. Policy Development and Coordination
2. Human Resource Management
3. Accountability
4. Service Delivery
5. Public Finance Management
6. Local self-government[1]

The overarching goal of the PAR roadmap of Georgia was "to set up a comprehensive conceptual framework and tools for its implementation until 2020, is targeted towards a transparent, predictable, responsible, and efficient public administration, which would meet the society's demands and correspond to European standards" (Government of Georgia, 2015). It is worth noting that the Roadmap 2020 was the first-ever comprehensive policy document that included information on modernization and reform of the public administration system in the independent Georgia.

Beside the Roadmap, that represents a strategic document with clear goals, objectives and indicators, the GoG has also adopted 3 consecutive action plans (2015-2016; 2017-2018; 2019-2020) – operational documents with concrete activities aimed at achieving the objectives outlined in the Roadmap.

In order to ensure the smooth and effective coordination of the reform a PAR Council was established. The council is chaired by the Head of the Administration of the Government of Georgia (Prime Minister's Office) and deputy minister from almost all line ministries are represented as members of the council. Under the Council, there are number of Working Groups (WG) for each policy area of the PAR – consisting mostly of the public servants from relevant line ministries. The

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[1] It should be noted here that the Local self-government is not part of the OECD/SIGMA Principles of Public Administration.

work of the Council and WGs are supported by the Secretariat, currently located within the Administration of the Government of Georgia (AoG).

Over the six year period the Government of Georgia has made important progress in implementation of PAR is some areas: Institutional and Functional Analysis of the Ministries conducted, as a result number of Ministries was reduced from 19 to 13; New Law of Georgia on Public Service was adopted and entered in force (2015); the Government established a new system for the Policy Development and Coordination, innovations in the public service design and delivery were institutionalized and decentralization strategy was adopted.

However, according to the assessment made by Georgia's Young Lawyers Association the reform faced significant challenges. The organization lists number of problems in its shadow reports on PAR. In particular the reform had not been monitored properly until 2019, and reports had not been published; the civil society was not involved not only in the evaluation of the results, but also in the process of the action plan elaboration (The Georgian Young Lawyers' Association, 2021).

The OECD/SIGMA did also carry out baseline measurement in 2017 in order to determine the state of the play and the relevance of Georgia's Public Administration Reform to the EPPA at the level of indicators and sub-indicators. However, the assessment had only focused on the Policy Development and Coordination, while the other five areas did not get evaluated. The report identifies major gaps and challenges that existed by the end of 2017 and recommends the GoG to speed up the process: "While the Georgian Government acknowledges PAR as a priority, implementation of reforms in the policy development and co-ordination area has been slow. Not all planned reforms have been implemented purposefully over the past years" (OECD/SIGMA, 2018).

3.2 Characteristics of the Policy Development and Coordination

In PDC the GoG has implemented two waves of reforms. In 2015, right after the adoption of the Public Administration Reform Roadmap, the government also approved a Policy Planning System Reform Strategy for 2015-17 – a separate planning document aimed at establishment of the policy planning system in the country. In the scope of these commitments, the GoG also adopted two methodological documents that would supposedly serve as a basis for the PDC system in the country:

1. Policy Planning Manual (Government of Georgia, 2016)
2. Government Monitoring, Reporting and Evaluation Systems (Government of Georgia, 2016)

It was a first-ever attempt by the Government of Georgia to standardize its policy-making process, as well as coordination and reporting practices. However, in reality, due to the "general nature" of the essence of these reforms (see GYLA report) they did not bring much of the change. OECD/SIGMA Baseline Measurement report confirm this assessment. The report also included 21 short and medium-term recommendations to the government in the area of PDC. The problems that had been identified in the PAR Roadmap persisted. In particular, the following problems could be identified:

- Lack of Coordination among the line ministries that led to the duplications of the planning, monitoring and reporting;
- Inflation of Policy Documents - by the end of 2019 the Government of Georgia had 94 planning documents while their quality was under question and featured significant duplications;
- Policy planning process had been predominantly activity oriented, instead of results and had not envisaged long and medium-term calculations for the sector development;
- Measurement of the sector Key Performance Indicators (KPIs) had not been general practice and Intervention Logic Frameworks had been absent in most cases;
- Linkages between Budgeting and Policy Planning Process had been still absent;
- There had not been any legal provisions that would ensure participatory policy-making process;
- Data collection and application in practice as well as capacity for in-house analysis within public agencies had been still weak;
- Due to absence of the strong emphasis on monitoring and evaluation, the standards and quality of the reporting was diverse and, generally speaking, low. [2]

Realizing these shortcomings and taking into account these recommendations the GoG in 2018 initiated the second wave of the reform, that has resulted in completely new system of Policy Development and Coordination in Georgia. On December 20, 2019 the Government of Georgia adopted a new decree that substituted the above-mentioned methodological documents with completely revamped regulatory and methodological documents. This has provided a legal ground in the process of establishing the result-oriented and evidence-based policy planning and coordination system (20/12/2019 #629 Decree of the Government of Georgia on adoption of the Rules of Procedure for the Development, Monitoring, and Evaluation of the Government's Policy Documents). The new set of guidance and regulatory documents includes:

- **Rules of Procedure for the Development, Monitoring, and Evaluation of the Government's Policy Documents** (hereinafter the Rules of Procedure) – the document establishes PDC system in Georgian public administration, sets its general scope, outlines planning, monitoring and reporting obligations for the government as such and line ministries; sets detailed procedures (including obligatory ones) and assigns the roles of individual agencies in the process. This approach established three level hierarchy of policy documents (and thus planning, coordinating and reporting) – National, Sectoral and Institutional.
- **Policy Planning, Monitoring and Evaluation Handbook** (hereinafter – Handbook) – establishes *minimum standards* for planning, coordinating, and reporting of policies and these guidelines are in line with the requirements of the EPPA and other international best practices. The Handbook, serving as an Annex to the Rules of Procedure, includes mandatory and recommended provisions for the line ministries and without meeting these minimum standards their policy documents will not be adopted by the GoG.
- **11 Manuals –** In order to support and enable the public servants to meet these standards as they prepare policy documents, manuals have been elaborated on the following issues: the situation analysis, the elaboration of logical frameworks, the action plans, the budgets, the establishment

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[2] Adapted from the Presentation delivered by the civil servant at Policy Planning Unit of the Administration of the Government of Georgia

of coordination mechanisms, the conduct of the monitoring and evaluation and the quality assurance.

The new system has become effective since January 2020. In parallel with the new regulatory and methodological documents the AoG) has delivered capacity development trainings for around 300 civil servants involved in the sector policymaking process. Moreover, the AoG as a leading agency, is now developing an electronic system (PDCems) which will collect all stages of policy planning cycle in one electronic space at the government level. This will simplify the process of development, reporting and evaluation of national and sectoral policy documents. At the same time, it will make the policy cycle more transparent (Government of Georgia, 2021).

The European Union praised the introduction of this new regulatory framework in its 2021 Annual Report on the Implementation of the Association Agreement: "a new Government decree and its supporting Handbook on Public Policy Making lays the regulatory and procedural foundation for good evidence-based policy development. It has quickly become the primary guidance document for Ministries. Its implementation requires comprehensive training and support, to ensure better integration between policy and budget planning, and building the right capacities, structures and processes in the relevant ministries" (European Commission, 2021).

Overall, the second wave of reform has resulted in *strongly centralized, joined-up system* for the government policy planning, implementation, monitoring, evaluation and reporting. The system is characterized with clear procedural, institutional and methodological guidelines aimed at streamlining the governmental business processes of policy development and coordination i.e., methodologies for situation analysis, results-oriented management, data generation and analysis, impact assessments, monitoring, evaluation and learning (MEL), standardized reporting, etc.

Very initial numbers about possible effects of the introduction of new PDC system is that the number of the governmental policy documents more than halved since 2021 (see Chart 1):
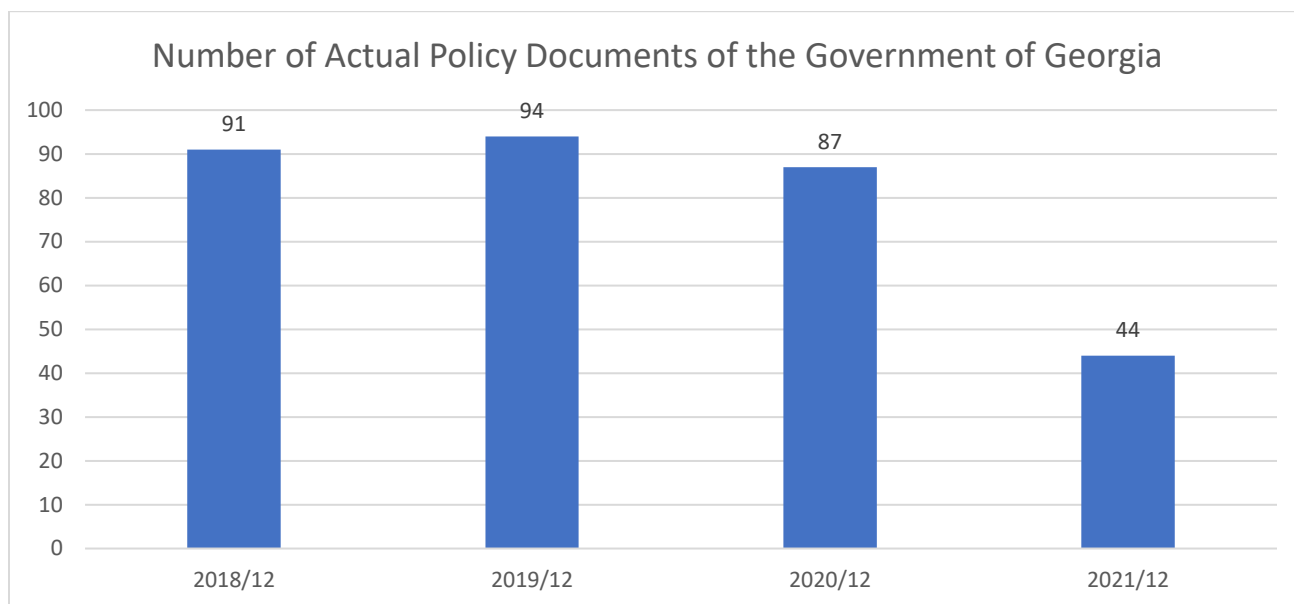
Figure 1: Number of Policy Documents of the Government of Georgia. Chart constructed by the Authors based on the information of the Policy Planning Unit of the Administration of the Government of Georgia.

3.3 Policy Development and Coordination System in Georgi through DEG perspective

This section analyzes whether the key components of Digital Era Governance that are directly or indirectly relevant for planning, coordinating and reporting can be also observed in the reforms conducted by the Government of Georgia regarding policy development and coordination.

C1.2 Joined-up governance (JUG)

Even before the official initiation of the Public Administration Reform, during the reorganization of the State Chancellery into the Administration of the Government, a Department of Strategic Development was established that became responsible for planning and monitoring the work of the Government, including doing analysis of the priorities of the Government, while also being responsible for any policy Coordination activities and for steering development of sectorial strategies and monitoring (Government of Georgia, 2015). The department, beside working on the policy documents, was tasked to provide methodological guidance to the line ministries during planning, monitoring and reporting. This is a clear demonstration of establishment of the centralized body which would be tasked with certain kind of government services horizontally, across the government.

C1.4 Reinstating central processes

By adopting the Rules of the Procedure and the Handbook, the Government of Georgia has introduced strongly centralized PDC system. The regulations put the AoG as the central player in all the processes. For example, regarding **planning,** the Article 6 of the Rules of Procedure introduced so called "initiation rule" which means that the works on development of a policy document cannot start if it had not been initiated and cleared by the AoG. In addition, the Handbook set minimum

quality standards for planning and if they are not met, the AoG, which now serves as a gatekeeper, develops negative opinion on the submission and thus, the policy will not be adopted by the government (Article 10).

The **coordination** practices had been also centralized. The rules of procedures, as well as the Handbook and Annex 6, the Manual of Establishment of Coordinating Mechanisms, set the framework for general policy coordination practices: horizontal and vertical components of the mechanism, involvement of the stakeholders, subordination of between political and technical level consultative organs and their functions, the role of secretariats and their functions. Definitions of the Coordinating Agency, Responsible agency, Partner Agency etc.; as well as formally designating which agencies have the rights to form the Coordinating Mechanisms. Major obligation in that regard was that any sector level coordination mechanism should include at least one representative from the AoG to include the policy planning perspective, the Ministry of Finance to have the budgetary planning perspective and the Ministry of Justice for the legislative planning perspective.

The new PDC system has also introduced horizontal regulations regarding **Monitoring, Evaluation** and **Reporting** – all becoming mandatory for any policy document adopted by the GoG. Monitoring introduced mandatory use of the **Implementation Rate** that gives more detailed but quick information about the progress of the implementation of certain tasks. The agencies are obliged to develop Monitoring Annual Reports and publish them on their web pages within 60 calendar days after the expiration of the reporting period. There is also an obligation to develop the Monitoring Progress Reports (Article 11 of the Rules of the Procedure). Conduct of the final evaluation has become mandatory for any policy document adopted by the government, while mid-term evaluation is required if the strategy is longer than an eight-year period. The decree set regulations regarding criteria, scope and question of evaluation. Evaluation reports need to be published as well within 180 calendar days after the end of the reporting period (Article 11 of the Rules of the Procedure). In both cases, there are mandatory structures and templates for report development and the AoG is tasked to review the report quality.

Considering all these arrangements Georgia is clearly following the pattern of reinstating the central processes.

C2.2 One-stop provision

As indicated in the 2019-2020 Action Plan of the PAR, the Government of Georgia is moving towards Policy Development and Coordination Electronic Management System (PDCems) which will put all the business processes related to planning, coordinating and reporting in a single digital space and ensure that all of the involved public servants work in a coordinated manner. The system will cover all three levels reporting: national, sectoral and institutional. This would further decrease the instances of duplications in the government activities and ensure whole of government approach for long-and medium-term planning (Government of Georgia, 2019). However, at this point this outlook is only an objective as such an electronic system has not yet been developed and put to practice.

C2.4 Data warehousing

Although central collection, systemization, analysis, and usage of the data would significantly contribute to the efficiency of the Planning, Coordination and Reporting, no such system exists yet. However, the abovementioned system may include the Bank of Indicators – a module which would bring together all three-level data (national, sectoral and institutional) in one space.

However, it is important to mention the low culture of sharing information (planning and administrative data in this case) which is compounded by the opacity of the administrative process coupled with deficiencies in human resources could pose a lingering obstacle for realization of this component. As public agencies still operate in the form of silo mode, they may be reluctant to enter all their data into such kind of electronic module.

C2.6 Agile government processes

Certain provisions in Georgian PDC system ensures availability of the instruments that are required for a government to be agile such as the centralization of the process and collection of information in a single space. These arrangements proved to be useful during Covid-19 pandemic crisis – when decisions had been fast, resolute and actionable. However, as in any other crisis situations, the lack of evidences (research, data, information) may cripple the rationality in the emergency decision making process.

However, so far this component of the DEG in Georgian case has proven to be more of a personal attribute of the key decision-maker in the office and thus, the practice has varied greatly depending on the managerial qualities of a top decision-maker. Therefore, traits of a systemic approach of agility of the government regarding Planning, Coordination and Reporting cannot be observed in the studied case at this point.

C3.1 Electronic service delivery

As mentioned above, from a public service perspective, PDC is not a traditional G2C service, but rather G2G (Government-to-Government) service, electronic service delivery is still important for the efficiency of the system. Thus, the intention of the GoG to develop PDCems is projected to fall into this DEG component once implemented. In addition, the electronic system will also enable online public consultation during the policy planning phase, meaning that PDCems will also include G2C electronic service delivery modalities.

C3.2 New forms of automated processes—zero touch technologies (ZTT)

The design of the PDCems ensure digitization of more than 15 templates that the government of Georgia has adopted as a result of the new Policy Development and Coordination regulatory and methodological documents. This on the one hand means that, civil servants will be obliged to use the formats when planning, coordinating or reporting and cannot deviate (as they used to) in practice. Moreover, on the other hand, the electronic system will detect duplication automatically

and minimize the risks of human errors, that are persistent when doing this manually. This will ultimately increase effectiveness of the Planning, Coordinating and Reporting of the Government as a whole.

7. Conclusion and Recommendations

The analysis shows that by introducing the new Policy Development and Coordination system in Georgia largely reflects and or is projected to reflect the tendencies/patterns that are described in the outlook of the Digital Era Governance as theoretically sound and progressive. In our initial case study, out of the twenty components identified in the DEG, we have proposed seven specific components to have either direct or indirect relevance for the Planning, Coordinating and Reporting Practices. As a result of scrutinizing the state of affairs in Georgia, we have concluded that:

- The case study has found that joined-up governance (C1.2) and reinstating central processes (C1.4) components have been observed as principally on track in Georgia; however, it is another matter to study the convergence of practice in accordance with the existing legislation.
- The study has found that Georgia is on its way toward the assumption of the three DEG components: one-stop provision (C.2.2), electronic service delivery (C3.1) and the new forms of automated processes—zero touch technologies (C3.2).
- Agile government processes (C2.6) component could not be observed as being systematic or on track of being institutionalized and requires a separate in-depth study;
- Data warehousing component (C2.4) has been found to be missing formally as well as in practice and no plans aimed at developing this direction could be observed.

Three key findings and respective recommendations can be drawn from this analysis:

Strong Centralization of the Policy Planning and Coordination is a step forward for the Government of Georgia. It can be argued that strong emphasis on government as a service provider to the citizens, increasing demand for data collection for effective management, need for fast decision-making processes during crises and the EU reform agenda have driven the government towards centralization of the policy planning, implementation, monitoring and evaluation practices. In this respect it is recommended to assess the practice of the past three years and make the necessary fine-tunings: some areas may require additional centralization, while others in contrast a decentralization.

It is also a positive trait that the GoG understands the role of Information and Communication Technologies and is formally committed to working toward the development of the electronic system (PDCems), which would ultimately ensure the One-Stop Approach, Electronic Service Delivery and Automated Process. Moreover, the system further develops centralized systems and will create a solid ground for data warehousing and agile government. Therefore, it is recommended that the Government of Georgia accelerates the development of this electronic system.

Finally, none of the above mentioned would work should the civil service fail to meet the capacities that are required for the planning, coordination, and reporting. Despite the fact the Georgian public

administration is relatively young, the traditional conservative cultural mindset still persists (there are of course exceptions from this assessment) as derived from the inheritance of the soviet-style bureaucracy coupled with a slowing pace of democratization, entangled in the overarchingly negative context of informal rule (Georgian Institute of Politics, 2021) . One facet of this malignant legacy is predominantly Silo thinking which undermined attempts to share knowledge and information across the public sector leading to serious public sector service failures. While strong regulations may be useful, it still does not result in cultural change within the organization. Therefore, it is recommended for the management of the public administration to encourage data sharing practices through formal and informal networks.

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