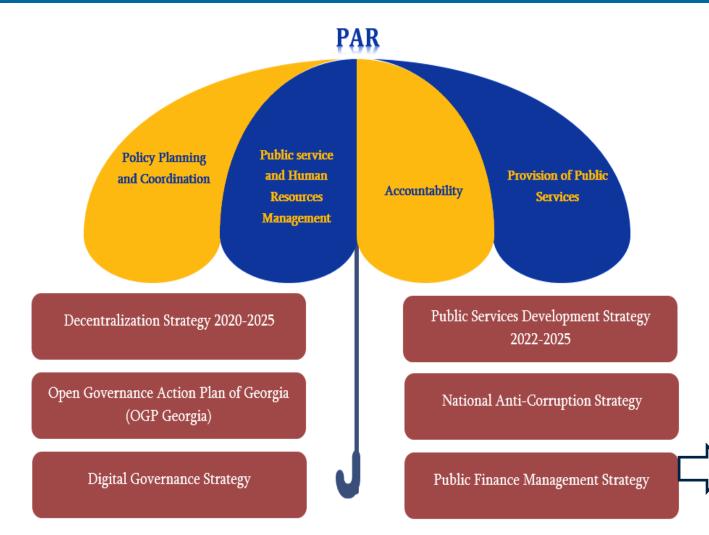




Synergy of PIFC with PAR and PFM: A Deep Dive into Georgia's case

DATE: October 17, 2023 Nini Eliashvili, Freelance PFM, PIFC Consultant

Georgia's CASE: Connection of PIFC with PFM and PAR



Budgeting General Public Debt Management Accounting and Reporting Tax and Customs issues Macroeconomic Analysis and Fiscal Policy Fiscal Risks **Development of PIFC** Supervision of Accountability, reporting and auditing

Georgia's CASE: Communication and Coordination of PIFC with PFM and PAR

The Central Harmonization Unit of MoF is a member of PFM and PAR Coordination Councils.

PAR Inter-Agency Coordination Council

- □ Chair Head of Government of Georgia (GoG)
- Secretariat Policy Planning and Coordination Department of Administration of GoG,
- Members Ministers or Deputy Ministers,
- □ Working group (WG) members relevant Heads of Departments or Agencies responsible
- Coordination WG meetings on a quarterly basis, donor coordination, intermediary workshops on how to increase coordination, synergy on inter-related reforms,
- Monitoring PAR results- based Action Plan, monitored by OECD/SIGMA experts
- Working group results are communicated to the council in a periodic meeting

PAR Inter-Agency Coordination Council

PAR Direction	Responsible State Agencies
Policy Planning and	- Administration of the Government of Georgia
Coordination	
Civil Service and HRM	- LEPL - Civil Service Bureau
<u>Accountability</u>	 Administration of the Government of Georgia
	 LEPL Anti-Corruption Bureau
	 Public Internal Control Department of MoF (Central Harmonization
	<u>Unit)</u>
	- LEPL – Digital Governance Agency, Ministry of Justice of Georgia
Public Service Delivery	 LEPL - Public Service Development Agency, Ministry of Justice of
	Georgia
	- LEPL - Digital Governance Agency, Ministry of Justice of Georgia
	 Ministry of Regional Development and Infrastructure of Georgia

Georgia's CASE: Communication and Coordination of PIFC with PFM and PAR

PFM coordination council:

- Chair: The Deputy Minister of Finance (MoF)
- Secretariat Foreign Affairs Division of MoF
- Members Heads of MoF Departments and SAO, Procurement Agency
- □ Invited members civil society, donor community, and EU Delegation
- Coordination: Evidence-based monitoring reports are sent to the secretariat, quarter meetings and discussion of the progress

Georgia's CASE: Key achievements of PIFC, PFM, and PAR

- Reform communication and coordination format established, managed on GoG level
- Unified "Rules of Procedure for Development, Monitoring, and Evaluation of Policy Documents" established and in place
- PAR Policy documents developed based on this document
- Georgia ranks 1st among 120 countries of the world in Open Budget Index' 2021
- PEFA 2022 assessment Internal Audit PI-26 scored "A", almost overall all indicators improved

Results of the synergy of PIFC with PFM and PAR

- CHU is coordinating significant topics (internal auditor status, salary) to the GoG level
- CHU is coordinating with the Civil Service Bureau and other stakeholders on FMC
- **CHU** is in the loop of related reforms
- OECD/SIGMA's technical support of PAR and each PAR's executors ensures synergy and coherence in consultations
- PIFC Strategy is developed based on the policy planning and evidencebased policymaking methodology developed by GoG

Key Challenges in Integrating PIFC with PFM, and PAR

- Lack of ton-at the top for "nice to have" topics
- Lack of active involvement of MoF in PAR (e.g. budgeting)
- Lack of awareness of top management
- Lack of prompt decision-making process for big changes

THANK YOU!