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# REFORM TRACKING SYSTEM FOR GEORGIA

CONCEPT NOTE FOR THE SCOPE AND DESIGN OF A  
REFORM TRACKING SYSTEM FOR GEORGIA

**USAID GOVERNING FOR GROWTH (G4G) IN GEORGIA**

24 November 2015

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# DATA

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## ABSTRACT

The report reviews models of reform and results tracking systems used public sector contexts around the world to inform the development of a compelling and sustainable “Reform Tracking System” in Georgia. In addition to informing activity managers of potential models to map and monitor progress against reforms, the document provides high level guidance to a grantee organization that will take on the task of designing, developing and sustaining the RTS in the long term.

## ACRONYMS

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G4G	USAID Governing for Growth in Georgia Project
USAID	United States Agency for International Development
RTS	Reform Tracking System
GoG	Government of Georgia
NGO	Non-Governmental Organization
RIA	Regulatory impact assessments
PRIME	Policy Research Institute of Market Economy
IMoRE	Index for Monitoring Reforms

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# 1. EXECUTIVE SUMMARY

In its design for the Governing for Growth (G4G) Activity, USAID identified the need for a “system to map the implementation of reforms, stakeholder impact, GoG participation, and intended and unintended impacts.” In defining this high level requirement for a Reform Tracking System (RTS), USAID has included the need to map and monitor both the *outputs* and the *outcomes*, or impact, of ongoing and future reform efforts.

As a USAID activity, as a matter of course G4G tracks and reports on activities advancing reforms the project is supporting. In addition to regular reporting on engagement with GoG officials, public-private dialogue events and activities, and progress against a reform-oriented work plan, G4G is enabling Georgian counterparts to assess the quality of public-private engagement in new regulations. But efforts sustained by G4G are by definition temporary, and there is a need for a more permanent and widely available platform for citizens and other stakeholders to both understand the scope and goals of reforms and to monitor GoG progress in implementing them.

In addition to informing activity managers of potential models to map and monitor progress against reforms, this document provides high level guidance to the Georgian civil society organization that will take on the task of designing, developing and sustaining the RTS in the long term.

In designing the RTS, it is critical early on to clearly define and delimit the scope of the system. This must take into account *resource* constraints, as the system must be realistically implementable and sustainable beyond the life of G4G. It should also take into account data constraints, as its designers will need to identify reliable and sustainable sources for every progress and results indicator to be included in the system. Most importantly, the scope and design of the RTS should be driven by a clear strategy. That is, *what* the system tracks should be determined based on a clear sense of *why* it is being tracked, and how it will be used to communicate and ultimately advance reforms.

Drawing on USAID’s original requirement for a system, an RTS for Georgia should at some level track both progress toward implementing target reforms and, over time, the impact, or *outcomes*, of those reforms.

To report on progress toward the **implementation of reforms**, the RTS will need to provide a clear map of the actions required to implement it. This might include specific legal or regulatory instruments that need to be enacted, institutions or governing bodies that need to be established, or specific changes to procedures required to comply with a regulatory requirement. They may also include actions by other, non-GoG stakeholders that indirectly affect the implementation of reforms.

The expected **impact of reforms** describes the economic, fiscal, and other results a reform is meant to achieve. These may be reflected in longer term indicators like economic growth, investment, and employment, but more effective indicators will be closer to direct results of a reform. Indicators of citizen satisfaction, perceptions of corruption, changes in port traffic, and shifts in tax revenue are examples. In tracking the impact of reforms, it is important to connect performance indicators to specific goals of the reform.

## 2. BACKGROUND

The purpose of the G4G activity is to strengthen the capacity of Government of Georgia (GOG) institutions to develop, implement, and enforce reforms, and to develop the capacity of private sector and civil society actors to engage the GOG on the development, implementation, and enforcement of reforms. An important element of achieving these goals is transparency and accountability of government in meeting its commitments.

To support this critical transparency and accountability, the G4G activity will support the development of a *Reform Tracking System (RTS)* for Georgia. Implemented by a civil society organization, the system will provide citizens and other stakeholders with a web-based platform to understand the substance and progress of reforms being undertaken by government.

### **3. METHODOLOGY**

Using straightforward web search methodologies, the author identified a number of public sector websites aimed at meeting one or more of the transparency and accountability requirements of the RTS. With an eye toward identifying both positive models and pitfalls to avoid in designing an RTS, the author conducted a thorough review of the content, organization, and presentation of a representative sample of these portals.

## 4. FINDINGS

### MODELS FOR TRACKING AND SHARING PUBLIC SECTOR PROGRESS AND EFFECTIVENESS

In seeking out models to guide designers of an RTS for Georgia, it became clear that there are no perfect examples. On the one hand, there are many examples of governments using data to demonstrate the positive results of reforms. Empowered by technology, watchdog groups and NGOs are shining more light on public sector activities, and national and subnational governments around the world are leveraging cheaper, more accessible tools to track progress toward their stated goals and improve accountability.

On the other hand, there are few examples of systems focused on tracking the process and effectiveness of reform itself. Advocacy groups track and report on the status of legislation of interest to their causes, and both government and civil society groups communicate how elements of an enacted reform will come into effect and affect constituents over time. But examples of a system identifying the steps—legislative, executive or otherwise—required to implement that reform, tracking progress against those steps, and making that information readily available to the general public were not apparent.

### GOVERNMENT VS CIVIL SOCIETY-DRIVEN MODELS

The advantage of a program operated by the government is that the data required for effective mapping and tracking progress of reforms is often more readily accessible to the government. After all, much of the data that an effective tracking and reporting system will rely upon is generated by the public sector. The challenge is that the generation of data does not automatically translate to the transmission or sharing of data, even between organizations within the same government. Information exists in silos even in the most advanced economies, and public sector data often exists in forms that do not lend themselves to sharing or analysis. Public sector-driven models are also more vulnerable to changing priorities of government, and especially to inevitable shifts in commitments to transparency and accountability. Even where there is consistent will to improve transparency, the lack of technology, capacity or resources can undermine government effectiveness to effectively capture, store, analyze and share information.

Generally, systems driven by NGOs or other civil society organizations have the advantage of being mission-focused. Because these organizations presumably have transparency and accountability as a core mission, there is little danger of priorities shifting away from a dedicated tracking system. Their focus on advocacy can also make these organizations more effective communicators, and effective interpretation and sharing of information is closer to their core mission.

But systems driven solely by civil society organizations also have disadvantages. Much of the raw data required to effectively report must come from the government, so NGOs are dependent on working relationships with officials. Their mission of advocacy and transparency can at times place them in adversarial roles to those same officials, and information flows can suffer as a result. And while NGOs and other civil society groups may not falter in terms of dedication, they are generally dependent on third-party funding to maintain operations. Sustainability will always be a challenge.

As might be expected, the advantages and disadvantages of public and civil society-driven models have led to a range of models around the world, both in terms of *what* is being tracked and *who* is doing the tracking.

## SELECTED MODELS

### IRELAND STAT

Ireland's Department of Public Expenditure & Reform maintains Ireland Stat ([www.irelandstat.gov.ie](http://www.irelandstat.gov.ie)), an online portal that presents a “whole of government” look at Ireland's performance. The site is organized by policy themes—economy, health, education, etc.—and further subdivided into programs within those policy themes. While the site includes some information on “actions” (outputs) the government is engaging in, the bulk of the site is focused on outcomes, or “achievements” as a result of its policy actions and initiatives.

Conceptually, irelandstat.gov provides a useful model for some elements of an RTS for Georgia. It provides visitors with a clear listing of stated policy goals, and it identifies a series of Key Performance Indicators (KPIs) under each to track results. As Figure 1 demonstrates, the site uses a simple red-yellow-green heat map or “traffic lights” to indicate positive, neutral or negative trends against each of its expected outcomes. The site also provides a useful model for benchmarks and key performance indicators (KPIs) that might form part of the *outcome* indicators for an RTS. By providing 4-5 KPIs for each strategic goal, Ireland Stat helps convey the real world implications of policies and enables more nuanced measures of progress.

But irelandstat.gov.ie is also limited as a model for Georgia. Its focus on results indicators provides little insight into how a Georgian RTS might track progress against reform actions. The site is expansive, covering a wide range of policy themes, but it is only minimally interactive. The red-yellow-green convention has the advantage of being simple and immediately understandable, but it is also limited as a means to convey more nuanced or complex results. Static lists of indicators with color-coded KPIs does not facilitate communication of progress against larger themes or strategic goals.

### THE US FEDERAL GOVERNMENT'S RECOVERY.GOV

The US Federal Government created the recovery.gov website in 2009 with the American Recovery and Reinvestment Act. Passed in the wake of the 2008-2009 financial crises that sent the US and much of the world into a deep recession, the Act included an economic stimulus package of more than USD 840 billion. The recovery.gov website was created to give the general public visibility into how that funding was being spent, and where. It was later expanded to include data on other Federal spending packages.

As a tool for transparency and progress toward stated public sector goals, recovery.gov provides a number of good examples for designers of an RTS in Georgia. The site features maps, dynamic charts, and other visual aids to make

Figure 2: The US Federal Government's Recovery.gov



complex spending and progress reporting data accessible to the general public. Raw datasets are available for those seeking more detail, but the site emphasizes usability and communication.

By nature, the site was designed mainly to display *outputs*—projects funded, dollars spent—and with the exception of direct jobs created its *outcome* indicators are limited. Because it was designed as a window into specific spending initiatives, and the organizational and funding infrastructure behind it will “sunset” in 2015, it does not present a model for a permanent, sustainable tracker of government progress against ongoing reforms.

## KENYA OPEN DATA

The Kenya Open Data portal was launched in 2011 with a great deal of optimism and fanfare. It's launch made Kenya the first sub-Saharan African country to initiate a national open data program. Not only did the government pledge to open its books to the general public, including data on public spending, parliamentary proceedings and the locations of public services, but it also used world-class IT tools to make the information accessible and understandable to the general public. The site also provides a good example of how an enormous and varied range of data types—many from external, third-party sources—can be made available and understandable to the general public.

Unfortunately, the project has not managed to live up to its initial promise, and its positive early example also generates lessons for designers of the RTS. While the site opens a lot of data up to public review and scrutiny, it doesn't do much to contextualize the data in the service of policy goals or reforms. Perhaps the greatest challenge has come as a result of official reluctance to release data after the initial press for transparency faded. While a lot of information from external sources are on the site, many of the datasets dependent on government input are very outdated. Kenyan officials have maintained an opaque culture and starved the portal of the most important data for transparency purposes. According to a 2013 review by the Sunlight Foundation, increasing decentralization of public sector functions has added strain to already limited capacity to collect, curate, and make data available.

## PAKISTAN ECONOMIC POLICY SCORECARD

In 2013, Pakistan had successfully navigated a peaceful transition between two democratically elected governments. The incoming government published a clear statement of its policy goals in the form of a detailed “manifesto”. To improve citizens’ visibility (and government accountability), a Pakistani think tank, the Policy Research Institute of Market Economy (PRIME), launched the Economic Policy Scorecard to monitor the new government’s progress toward delivering on its promises. With support from international donors and implementing partners,<sup>1</sup>

Figure 4: Pakistan Economic Scorecard



<sup>1</sup> PRIME was supported in the development of the Scorecard by the Center for International Private Enterprise (CIPE), an implementing partner on the G4G project.

PRIME developed a very carefully designed tracking and reporting model (govpolicyscorecard.com.pk).

The PRIME model deserves high marks for both the depth and breadth of its analysis. It takes its structure from the government’s own manifesto, tracking progress under three main themes: *Economic Revival*, *Energy Security*, and *Social Protection*. Subheadings under these themes track progress in as many as a dozen specific policy areas, also taken from the government’s own policy goals. All of these are scored according to a detailed and fairly transparent methodology, the results of which are presented as easy-to-understand scorecards.

Deeper still, each of the subheading scores is in turn based on a detailed analysis of progress against three dimensions: *Legislative and Policy Developments*, *Institutional Development & Reforms*, and *Implementation*. This model explicitly recognizes the full lifecycle of a reform effort, and it implicitly recognizes the differing demands and skillsets required to carry them forward. The model also avoids the trap of over-simplification, providing high level summary scores to enable straightforward communication even as it provides an enormous amount of detail for those willing to dig into the inputs to its aggregate scores. The site provides a detailed description of its methodologies for scoring, weighting and presenting results.

As positive as the underlying level of analysis and detail is, it may also present a weakness as a model for Georgia. It is tracking so many different indicators—*Economic Revival* alone includes 55 subcomponents—and it includes so many “moving parts” in the form of calculations, assumptions and commentary, that it begins to overwhelm the average user. Its relatively straightforward score cards are somewhat buried in the site, and the site design does not make it easy to connect the results to underlying metrics. Most of the site’s reporting comes in the form of static, semi-annual publications, and it is clear an enormous amount of time and effort goes into producing them. The result is a static website that is updated only occasionally, and which does very little to present the data in a user-friendly format.

Care should be taken to scale the scope of the tracker to support usability and long-term sustainability, but for the designers of a Georgia RTS, the Pakistan’s three dimensional scoring model provides a very useful guide for *how* to track reforms. It is much less helpful as a model for how to communicate and present the results of tracking efforts.

**Figure 5: Examples of Legislation Tracking by Reform Advocacy Organizations**



## REFORM TRACKING AS ADVOCACY: ROADMAPS AND LEGISLATION TRACKING

The models examined above are designed in varying degrees to track the direct and indirect results, or *outcomes*, of reforms. Fewer examples exist where such systems are being used to track progress toward implementing reform efforts. Those that do fall into two categories that might be relevant to an RTS in Georgia.

First, civil society and other advocacy groups often track the progress of legislation related to their area of advocacy. These may include legislative actions being proposed in separate houses of

Parliament, and often they will include information about who is sponsoring the action, progress through legislative committees, and other auxiliary information. The goal of these models is to provide interested parties with a clear view of the progress of reform; literally tracking its progress as a measure of the effectiveness of advocacy efforts.

A second reform tracking model is used to communicate the timing and implications of reforms. Complex or potentially disruptive new policies might be phased in, rather than immediately take effect. In these circumstances, advocacy groups and implementing agencies may produce timelines or roadmaps depicting when elements of a new law will come into force.

Figure 6: Ukraine's Index for Monitoring Reforms



## LEGISLATION MONITORING CASE STUDY: UKRAINE INDEX FOR MONITORING REFORMS

The Index for Monitoring Reforms (iMoRE) is a product of Vox Ukraine, a think tank and self-described “analytical platform” focused on policy and anti-corruption in Ukraine. The group designed the index to provide an easily understood measure of the “speed and direction” of reforms in Ukraine, which has long suffered from corruption and an ineffectual public sector. The model is designed specifically to track the passage of reforms and their perceived effect, but it specifically excludes the implementation of reforms.

The central feature of the iMoRE model is its use of “averaging” expert opinion as the foundation for its scores. On a regular basis, iMoRE asks a previously selected panel of subject matter experts to evaluate changes in legislation in their areas of expertise along five dimensions: 1) governance and anti-corruption 2) public finance; 3) monetary policy and financial markets; 4) industrial organization and foreign trade and 5) energy independence. Rather than tracking progress against one or more reforms in specific policy areas, the model seeks to assign a positive or negative score to *all* legislative or foreign policy actions in a given time period.

As its name implies, the result is effectively an *index* of Ukrainian reforms. By capturing a constantly changing list of policy actions each week, the methodology provides an ongoing series of snapshots, which over time provide insight into the overall *pace and direction* of reforms. But because actions appear and disappear from the index like blips on radar screen, and because there is no mechanism to track actions’ appearances or scores from week to week, the model does not really provide insight into progress against broader reform goals. Nor does it provide any indication of progress toward implementing reforms or, beyond experts’ subjective forecasts, of the outcomes of reform actions.

For designers of an RTS for Georgia, the iMoRE model does not alone address the main requirements for the system. Still, it may provide inspiration for an individual feature, particularly if it can be adapted to look not at all legislative actions indiscriminately, but at defined policy areas.

## IMPLEMENTATION ROADMAPS CASE STUDY: US HEALTHCARE REFORM

The passage of the US Patient Protection and Affordable Care Act in 2010 represented the largest regulatory overhaul of the US healthcare system in more than 40 years. It has resulted in—and continues to result in—sweeping changes to the rules governing health insurance in the US. It is also an enormously complex piece of legislation, affecting hundreds of other statutes and public and private sector practices in healthcare delivery. Insurance companies, healthcare service providers, government officials, and the general public as healthcare consumers all have interest in understanding how the law will be implemented and the effects it will have.

In this environment, there has been an enormous proliferation of stakeholders and constituents breaking down the progressive implementation of the Law, identifying key milestones and flagging new mandates and costs. Insurance companies, civil society groups, and the US Government itself have all produced versions of these roadmaps.

For designers of an RTS for Georgia, these roadmaps also present a potential feature, but alone they would not meet the requirements of the system. In the context, these road maps could illustrate the path toward implementation of reforms, particularly if they are adapted to include not only milestones and timelines for those affected by legislation, but regulatory, organizational and other implementation milestones the government is expected to meet. That is, in the context of an RTS, the roadmaps may well serve as tools of advocacy and accountability, and not just education.

Figure 7: US Healthcare Reform Roadmaps



## 5. RECOMMENDATIONS

In designing the RTS, it is critical early on to clearly define and delimit the scope of the system. This must take into account resource constraints, as the system must be realistically implementable and sustainable beyond the life of G4G. It should also take into account data constraints, as its designers will need to identify reliable and sustainable sources for every progress and results indicator to be included in the system. Most importantly, the scope and design of the RTS should be driven by a clear strategy. That is, what the system tracks should be determined based on a clear sense of why it is being tracked, and how it will be used to communicate and ultimately advance reforms.

Drawing on USAID's original requirement for a system, an RTS for Georgia should at some level track both progress toward implementing target reforms and, over time, the impact, or outcomes, of those reforms.

### TRACKING AND REPORTING ON THE IMPACT OF REFORMS

The expected **impact of reforms** describes the economic, fiscal, and other results a reform is meant to achieve. These may be reflected in longer term indicators like economic growth, investment, and employment, but more effective indicators will be closer to direct results of a reform. Indicators of citizen satisfaction, perceptions of corruption, changes in port traffic, and shifts in tax revenue are examples.

In addition to focusing constituents (and indeed policymakers') attention on results, effectively communicating *why* a reform is being undertaken is a critical first step in building support for it. Connecting the often complex process of delivering reform to tangible benefits to constituents, and then communicating progress toward achieving those expected benefits, should be the primary goal of the RTS.

In tracking the results of reforms, it is important to connect performance indicators to specific goals of the reform. While it may be interesting to include Georgia's GDP per capita as a data point, as an indicator of the results of a reform effort it is not helpful. Instead, RTS designers should identify more targeted goals—expand private investment in hydropower in Georgia—that a reform is meant to achieve.

Once the goal (or goals) have been articulated, designers of an RTS should identify a set of meaningful performance indicators to track progress toward that goal. Designers can draw on the following resources to identify appropriate impact indicators for a given reform.

- **Regulatory impact assessments (RIA):** Properly conducted, a RIA presents a formal study of the likely costs and benefits of enacting a law, regulation or reform effort. These will include calculated forecasts and estimates of the economic, fiscal and other benefits that policymakers believe will accrue as a result of reform. These expected results can serve as a ready source of benchmarks or milestones for tracking and communicating progress against reforms.
- **Best practice analysis and trends:** While there is often room for debate about the "right" course of action for a given reform, policymakers tend to draw on precedent or existing models in setting the direction of a reform. The models and best practices policymakers use, can often lend themselves to create results milestones or benchmarks.
- **Benchmarking.** Few of the reforms Georgia will undertake will be unique to Georgia. Other countries will have faced similar challenges, and those that have undertaken reforms can provide both strategic input to policymakers planning and insight into the impact of that reform if it is enacted. RTS designers should benchmark the results of other economies that have implemented target reforms to identify reasonable milestones and targets.

- **Political rhetoric:** Politicians and policymakers seeking to enact or reform policies will “sell” the reform in speeches and in the course of political debates. Political promises about the benefits of a policy reform should be treated with skepticism, but as a basis for accountability they can be quite effective. RTS designers should draw on these stated policy goals and promised benefits to select and track impact indicators.

## TRACKING AND REPORTING ON PROGRESS TOWARD THE IMPLEMENTATION OF REFORMS

To report on progress toward the **implementation of reforms**, the RTS will need to provide a clear map of the actions required to implement it. This might include specific legal or regulatory instruments that need to be enacted, institutions or governing bodies that need to be established, or specific changes to procedures required to comply with a regulatory requirement. They may also include actions by other, non-GoG stakeholders that indirectly affect the implementation of reforms.

This focus on the *process* of reform can be as valuable as tracking the results, especially in an environment where reforms are required on multiple fronts. By communicating what needs to be done, tying it to *why* it needs to be done, and then reporting on progress, the RTS will serve an important advocacy function.

Here, the RTS will rely less on indicators and more on process “milestones.” In addition to G4G work planning efforts, sources of those milestones might include policy analysis supported by other donors, business associations, NGOs, or other groups focused on policy reform advocacy.

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