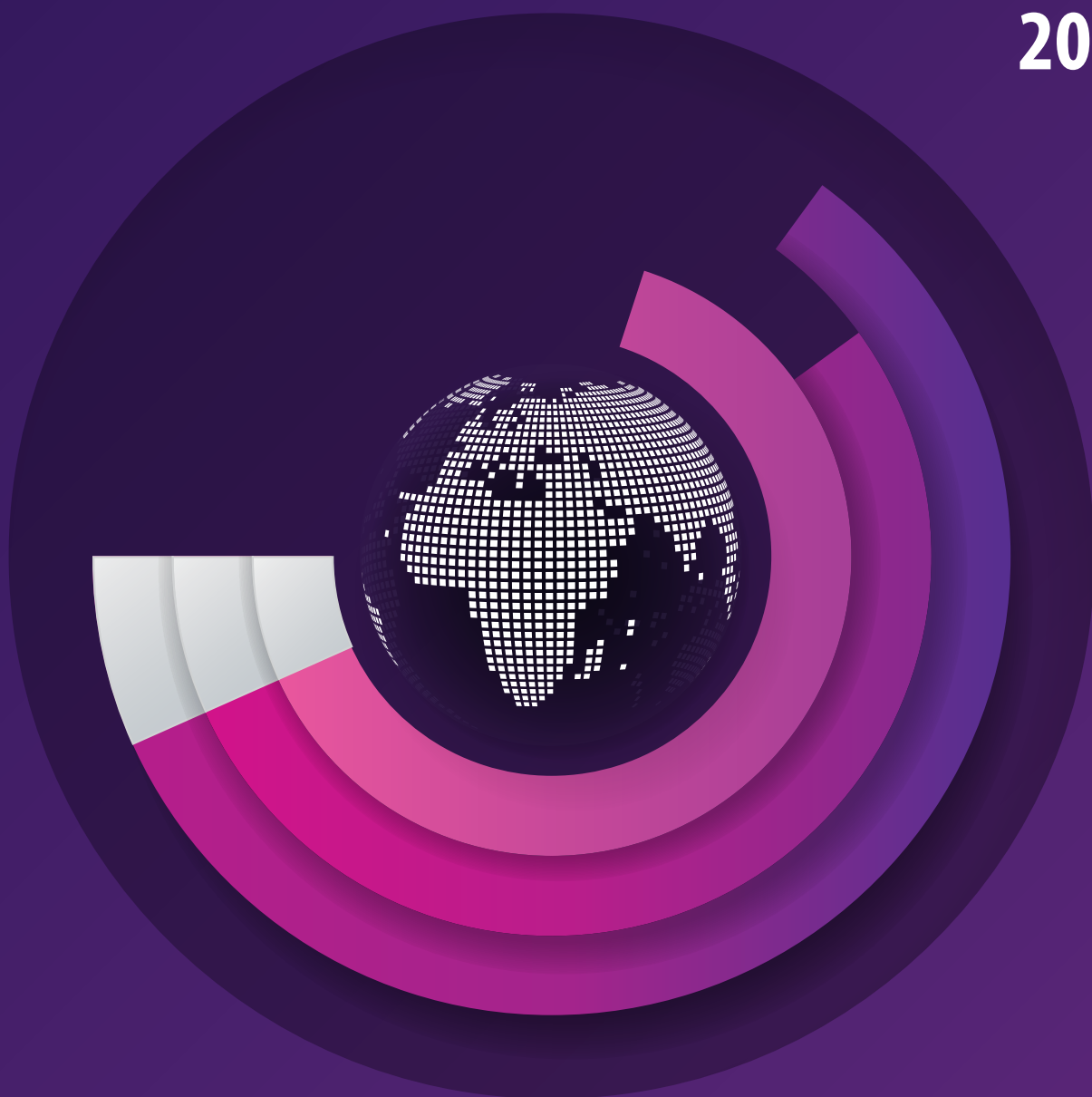




# ANNIVERSARY REPORT

## 2017



# A WINDOW INTO PMCG'S WORLD

DELIVERING PROGRESS FOR A BETTER FUTURE

COUNTRIES  
IN WHICH  
WE HAVE  
WORKED:



We are primarily working in the regions of Eastern Europe, the Caucasus, Central Asia, the Middle East and Africa, with governments, and bilateral and multi-lateral development institutions.

WE BELIEVE IN LIBERTY, INTEGRITY, INNOVATION, DIVERSITY, TEAM WORK AND PROFESSIONALISM

We support governments, the private sector, as well as international and civil institutions, by delivering simple, comprehensive and progressive services tailored to their needs, focusing primarily on economic development, freedom and prosperity. By combining our vast experience and knowledge, both globally and locally, we steer our clients toward achieving greater success.



**247**  
AFFILIATED  
CONSULTANTS



**134**  
ECONOMIC  
PUBLICATIONS

**203**  
IMPLEMENTED  
PROJECTS



**164**  
CLIENTS &  
BENEFICIARIES

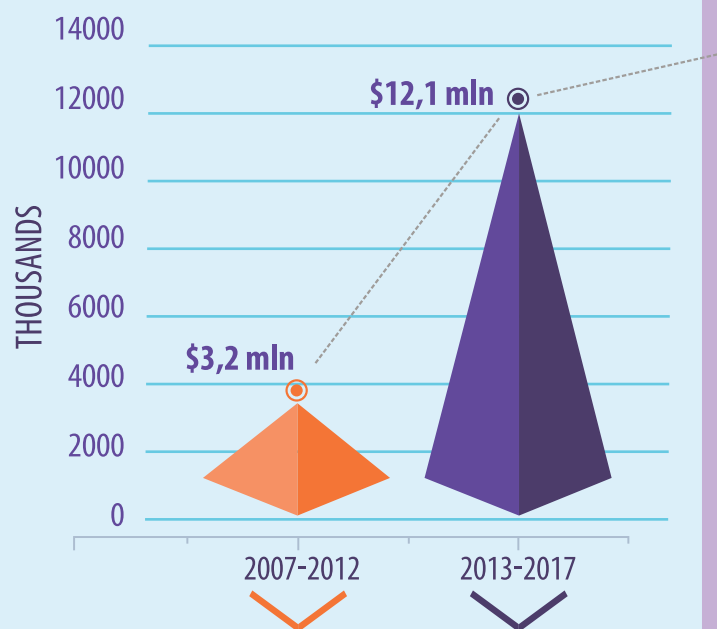
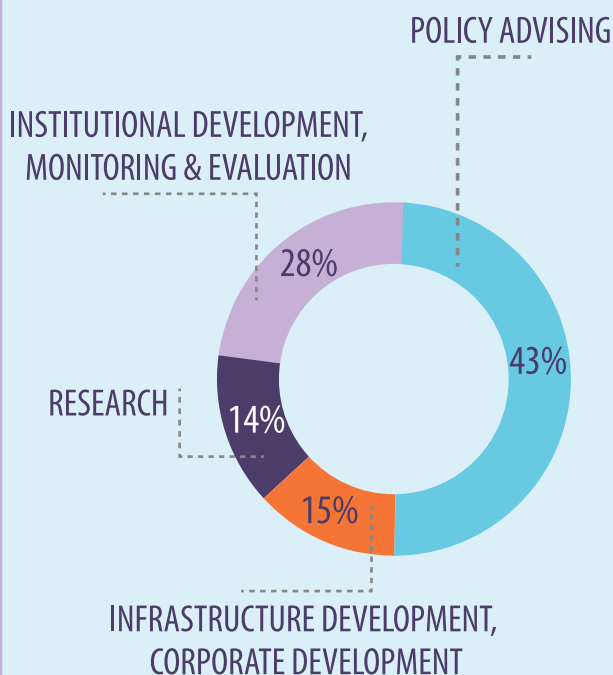


**5000**  
POOL OF  
CONSULTANTS

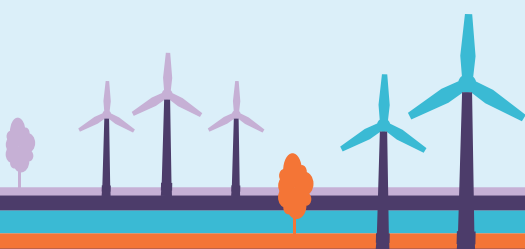


**168**  
POLICY DOCUMENTS  
& REGULATORY  
IMPACT ASSESSMENTS

TOTAL SALES



PORTFOLIO



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## CHAIRMAN'S LETTER

Dear Friends,

On the tenth anniversary of Policy and Management Consulting Group (PMCG), we are celebrating the many achievements that we have realized, many of which would not have been possible without the cooperation of our valued partners.

Establishing a well-organized consulting company in Georgia that would create intellectual products for clients in the country and beyond, we sought to fill a gap and embrace local participation, because we knew local expertise was going to be vital to create the long-term, sustainable economic development necessary for transitional countries to pull themselves out of poverty.

We had a clear goal when we decided to create PMCG ten years ago: utilizing our hands-on experience to help countries in transition to become free market economies by combining the best of international practice with priceless local insight.

For the past ten years, PMCG has been achieving its goal. What started out as just an idea, is now a successful, influential and impactful international development consulting company.

Ten years ago we started with what we knew best: redesigning the functions of the Treasury Department of the Georgian Ministry of Finance, under the World Bank project led by WYG Consulting (UK). In that project, and in so many others since, we were lucky to work with, and learn from, some of the world's best advisers in the consultancy business.

We have worked for clients all across the post-Soviet space as well as in other parts of the world, including Eastern Europe and Mongolia that are transforming from a central-

ized to a market economy. Our successful efforts over the past ten years have helped us to achieve a major goal: to help countries carry out the reforms that enable them to transform into modern economies that can compete on the world market and improve the livelihoods of their citizens.

A firm understanding of best international practices, local insight, and true awareness of the political environment on the ground are the three main components necessary to adequately address challenges in policy development.

PMCG is uniquely placed to provide these services because we offer our clients practical knowledge based on our real experience of implementing reforms. Sharing useful practical knowledge, in many cases, is of greater value than theoretical concepts and ideas; knowing how to improve, what steps should be taken, and how to maintain consistency are all vitally important as well. We have the practical experience of achieving very specific and tangible results, making consistently correct decisions. We now have hands-on experience of delivering progress to governments near and far, helping them to reform their economies and lay the foundations for economic liberty for their people.

By working with experienced international development institutions, such as the World Bank, United States Agency for International Development, European Commission, UK Department for International Development, European Bank for Reconstruction and Development, United Nations Development Programme, Asian Development Bank, Japan International Cooperation Agency, and others – and developing our own network of experts on the ground – we have created a cherished synergy of local and international expertise.

At PMCG, we aim to deliver progress and sustainable change. A decade ago, our goal was to grow institutionally and meet the highest international standards, which would allow us to become cooperative partners of international institutions.

PMCG's portfolio vividly illustrates that this goal has been met. We are implementing the US federal government institutions' projects such as those of USAID and Millennium Challenge Corporation (MCC) with our partners not only in Georgia and the Caucasus, but also in countries around the globe, including Mozambique, Liberia, Iraq, Afghanistan, Egypt, and many others.

We are actively working on European Union (EU) projects in Georgia and are consortium members of the EU Develop-

ment Commission framework contracts, which allows us to implement short-term projects in emerging and developing markets including Armenia, Azerbaijan, Montenegro, as well as South Africa and Niger. This cooperation enables our expansion, which is imperative for PMCG's future.

Working with international development institutions brings value for all parties as, while we are providing services, we are also gaining vast experience of how to work globally and how to stay competitive on the global market.

Over the past two years, PMCG has also expanded its partnership with the World Bank (WB), the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB). We have mastered new areas of specialization, and started working on infrastructure projects, including roads, solid waste, waste water, water supply, municipal spatial planning, and regional infrastructure development projects.

Today, our experience, coupled with the deep understanding and knowledge of international best practices possessed by our staff, is helping countries to achieve reforms that bring citizens more stable livelihoods, more modern infrastructure, and more transparent governance.

As our expertise broadens, so too does our geographical reach, and we are committed to ensuring that the quality and efficiency of our services and organization remains as high as possible. That is why we are proud to have set up internal management procedures and to have acquired an ISO 2009 Quality Management certificate from Bureau Veritas, an international certifying agency.

We care dearly about our own institutional progress and are emboldened by any recognition from the international community. Therefore, we were delighted and honored to be awarded 1st place for Excellence in Consulting in the Gabriel Al-Salem International Award – Consulting Without Borders in 2016.

We were also privileged to win the UNDP Gender Equality Award 2015, for Gender Balance at the Executive Level which proved our devotion to ensuring that women and men are equally involved in decision-making processes. Indeed, in the pursuit of development and progress in the business environment, dedication to gender equality is simply essential.

Similarly, it was a source of great excitement when PMCG's

subsidiary PMC Research, an independent think tank, was granted the maximum 5-star transparency award, by international organization Transparify, for setting the gold standard for the field as a whole, by demonstrating exemplary transparency in the public disclosure of its sources of funding.

As we endeavor to strengthen our institutional capacity and create a firm organizational structure, we have created a governing board. Together with executive managing board members, we invited prominent and highly recognized professionals as non-executive board members: Kenneth Yalowitz, former Ambassador of the United States to Georgia; Shigeo Katsu, President of the Nazarbayev University in Astana, former Vice President of the World Bank; and Roy Southworth, former Regional Director for the World Bank. They support us to make strategic decisions by providing insight and sharing their invaluable experience and knowledge.

This year, with the support of the EBRD, we have started working on PMCG's development strategy together with Mr. Max van der Sleen, former President of Ecorys, one of the biggest international consulting companies based in the Netherlands.

PMCG is working tirelessly to deliver real progress to its clients, something which would be impossible without the unwavering support and trust of our partners, as well as our talented staff's endeavor and commitment.

We look forward to further development, expansion and addressing new challenges. Our doors are always open to all talented people and experts in different sectors. The biggest challenge for the next decade will be international standard quality assurance, and achieving competitiveness on international markets.

We are fortunate to have a diverse team of invaluable professionals and brilliant partner companies from around the world who share our core values and common mission – to deliver progress for a better future.

# MEET PMCG'S BOARD

At PMCG, we know only too well that professionalism is a prerequisite for success. We invest in our people so we can continue to provide the best services to our clients in every area.

We also believe that good businesses thrive on growth and new challenges so we have committed ourselves to expanding our operations. From the very beginning, we have sought to develop, to deepen our areas of expertise and to sharpen our skills to compete in the nearby regions and around the world.

Our governing board is dedicated to ensuring that we adhere to the highest standards in everything we do.

We are honored to have top development professionals on our advisory board, fusing decades of experience from top international development institutions, including the World Bank and the US State Department. The board aims to support PMCG's strategic development and innovation, to explore new business ideas, to facilitate sustainable growth, to provide strategic direction and to guide quality improvement.



**ALEKSI ALEKISHVILI, CHAIRMAN AND CEO**

Mr. Aleksi Aleksishvili, Chairman and CEO at Policy and Management Consulting Group (PMCG), has clocked up 20 years of working experience in the public finance and economic development policy sector as a high-level government official and government adviser responsible for economic development policy, budget and financial policy, tax and customs policy reform, business climate improvement and doing business environment.



**ZAZA BROLADZE, NON-EXECUTIVE DIRECTOR AND PARTNER**

Mr. Zaza Broladze (PMP) boasts around two decades of impressive experience in top management positions and has sound experience of working with international organizations and government institutions. In 2008, he joined PMCG as a Public Sector Consulting Director and in 2012 he became Deputy CEO and Partner, coordinating policy advising, capacity building and institutional development projects at PMCG. Prior to joining PMCG, he accumulated rich experience working with various international organizations and government institutions.



**SHIGEO KATSU, NON-EXECUTIVE DIRECTOR**

Mr. Shigeo Katsu brings three decades of experience working with the World Bank and the Asian Development Bank, where he has accumulated sound experience of Europe and Central Asia, in the fields of infrastructure, trade, and transitional economies. He is currently the President of the Nazarbayev University in Astana, Kazakhstan, the country's flagship academic institution.



**DR. ZVIAD KHAREBAVA, DIRECTOR, BUSINESS SECTOR AND INFRASTRUCTURE DEVELOPMENT**

Dr. Zviad Kharebava, Business Sector Consulting Director at PMCG, plays a crucial role in expanding the company's business sector portfolio. He joined the company in 2013 and has since brought valuable partners to PMCG through supporting key clients in infrastructure, hydro power and agriculture projects by providing plans for business development, fundraising and investment.



**DR. GIORGI KHISHTOVANI, DIRECTOR, RESEARCH**

Dr. Giorgi Khishtovani, Director of Research, possesses a decade of sound experience in public, private and non-governmental sectors in Georgia and abroad. He manages research and analyses, quality control, fundraising and strategic planning at PMC Research.



**LASHA MESKHIA, DIRECTOR, BUSINESS DEVELOPMENT**

Mr. Lasha Meskhia, Business Development Director at PMCG, is responsible for project management, developing strategic plans, action plans, and business expansion strategies, as well as identifying new markets and product opportunities. He also focuses on product development, managing company representatives at various locations and working to improve the management processes and procedures of the company.



**ROY SOUTHWORTH, NON-EXECUTIVE DIRECTOR**

Mr. Roy Southworth has comprehensive professional experience in the development, implementation and evaluation of investment operations in the fields of agriculture and rural development. He is co-founder of the McLain Association for Children (MAC). Before joining MAC, he was country manager for the World Bank's office in Georgia, and overall he holds about 30 years of working experience with this globally renowned institution in Africa, Europe, and Asia.



**OLIA WATT, EXECUTIVE DIRECTOR**

Mrs. Olia Watt, Executive Director of PMCG, is responsible for monitoring daily operations, financial management, strategic development and project implementation. Her duties also include fundraising and ensuring compliance with international standards and requirements, in addition to the preparation of technical and financial business proposals to be submitted to local and international companies.



**KENNETH S. YALOWITZ, NON-EXECUTIVE DIRECTOR**

Diplomat Kenneth S. Yalowitz has had an outstanding career and possesses an invaluable understanding of countries in transition. He served as a US diplomat for 36 years before leading the Dickey Center for International Understanding at Dartmouth College from 2003 to 2011. He currently works as Director of the Conflict Resolution M.A. Program at Georgetown University (Washington, D.C.). Mr. Yalowitz is a Global Fellow at the Woodrow Wilson Center in Washington, D.C. and a member of the Council on Foreign Relations.





# POLICY ADVISING

## DELIVERING PROGRESS TO COUNTRIES IN TRANSITION

At PMCG, we believe that liberty and a free market economy provides a formidable basis for strong economic policy and development.

This appreciation of the role of liberty in transforming societies comes from first-hand experience. We have played, and continue to play, a part in economic reforms moving countries from an inefficient, centralized economy loaded with heavy regulations toward a flexible, growing, transparent and more progressive society.

Our team's valuable experience of policy reform and economic progress, combined with the expertise of our consultants and partners, as well as an encyclopedic comprehension of international best practices, equips us to assist communities and governments to establish stronger economies, to alter attitudes and to stimulate progress both regionally and nationally.

We are proud that PMCG's team have led, and participated in, Georgia's most impactful reforms in governance, fiscal, PFM, and other economic development sectors. Due to these transformations, the country has achieved significant improvement in terms of revenue mobilization (from 12% to 25% of GDP in three years), and was named as the world's leading reformer country by the World Bank. At the same time, Georgia has delivered outstanding reforms in public administration and anticorruption.

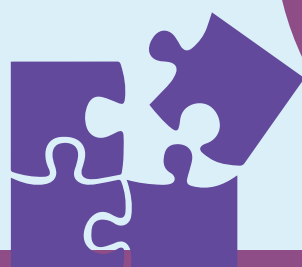
In the last ten years, 21 across the globe have progressed as a result of our expertise. Specifically, our team has steered governments and communities toward economic reforms through the suitable legal framework and institutional performance.

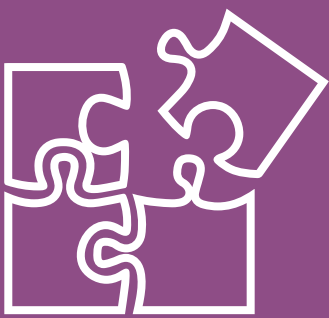
PMCG, across a wide spectrum of nations, has contributed to establishing stronger policy and reforms that have given people the necessary environment to improve their lives. This contribution has ranged from revenue generation in Africa to enhancing fiscal efficiency and regulatory frameworks in Europe and Central Asia.

Many governments have, with our support, created more comfortable environments in which to do business. The work PMCG carries out brings tangible change, repeatedly evidenced by international rankings, such as the World Bank's Doing Business Report.

The success we have achieved has been driven by our dedication to blending our knowledge and international best practices, combined with local expertise of every nation in which we work. PMCG cooperates with the highest caliber of regional experts to arrive at viable and sustainable solutions suitable for the local environment. Such a complex approach means that the policies we put together are carefully designed and ideally suited to face the obstacles and opportunities present in the relevant communities.

Below are a selection of the numerous successful projects in which we have been involved in the field of policy advising.





## ALBANIA

We have worked with the Government of Albania as part of the World Bank's project designed to establish a **business-enabling environment reform** process through improving the delivery of public services and the business regulatory environment, and to **reduce bureaucracy**, an essential part of development and economic freedom.

Working closely with officials, entrepreneurs and investors, we put together an action plan and roadmap for reform allowing Albania to achieve economic growth and establish better business practices in three main directions: business-enabling regulatory framework; tax and customs administration; and the National Business Center (NBC) (an institution offering various services, such as registration, licensing and permits for businesses) service delivery.

## KOSOVO

We have been supporting the Government of Kosovo in developing crucial policies and legislation to stimulate private sector-led economic growth in Kosovo, under the USAID Kosovo Partnership for Development (PFD) program.

One of the most important laws in this area is the Law on Business Organizations (LBO), which, alongside other important areas, covers doing business and public finance management (PFM), corporate governance, and other relevant areas. The Stabilization and Association Agreement (SAA) between Kosovo and the EU came into force on 1 April 2016, and the Government of Kosovo began finalizing a review of the LBO to consolidate previous and future reforms, and to ensure compliance with the SAA and the EU Acquis Communautaire.

As part of this process, we evaluated the country's general compliance with the SAA and the EU Acquis, we identified additional improvements that would further streamline requirements and processes, and evaluated current measures and possible further improvements to be made in the World Bank's Doing Business Report for Starting a Business and Protecting Minority Investors indicators to be reflected in the LBO.

**The positive results of this project were reflected in the World Bank's Doing Business Report as, since 2015, Kosovo has risen six places to 80th.**

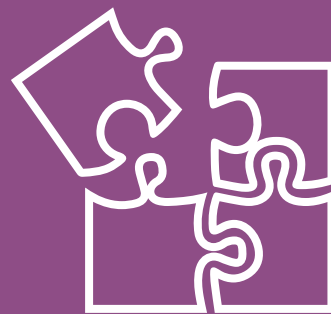
Throughout 2016, we also worked with the Government of Kosovo to develop policies that stimulate growth in the tourism sector.

The Government of Kosovo has identified tourism as one of the most important areas for its society and economic development. The country has the capacity to develop various types of tourism including winter and mountain, recreational-sports, and cultural.

Working closely with the Ministry of Trade and Industry of Kosovo, the Government of Kosovo, municipalities, tourism operators, associations and other stakeholders, PMCG studied the existing situation with respect to public and private sector approaches to tourism in Kosovo. It also reviewed linkages with international tourism organizations, government policy, and the legal and operational framework governing the tourism sector in relation to EU requirements and international best practices in the regulation of private economic activity in the area of tourism.

Based on an in-depth study of the situation, we put forward recommendations to improve private sector practices as well as the policy, legal, and operational framework in the tourism industry, to boost the tourism sector as a whole. The recommended changes will contribute to the country's overall economic development.





## MONGOLIA

Over the past ten years, we have helped our clients to make real and sustainable changes by establishing reforms that address economic challenges. For example, in Mongolia, as part of a USAID project, we used the lessons learned from reforms in Georgia to help the country to radically change the way its government handles construction permits.

**As a result, Mongolia has adopted a more progressive, modern and market economy-based approach, and jumped from 121st**

**place in 2012 to 74th place in the World Bank's Doing Business rankings for dealing with construction permits in 2014.**

Taking a complex and comprehensive approach, PMCG worked with all levels of government, including ministries, prime minister's office, parliament and its committees, as well as local and municipal authorities, in policy elaboration, legal drafting, institutional reorganization, and new business processing.

## KYRGYZSTAN

In Kyrgyzstan, PMCG helped its government to promote entrepreneurship and economic development as part of the USAID Business Environment Improvement (BEI) project in 2009. The improved legislation created a better environment for business, resulting in an **improved World Bank paying taxes indicator.**

The project sought to reduce the legal, regulatory, and administrative burden for SMEs by working with the Government of Kyrgyzstan to streamline legal and regulatory processes and to facilitate informed and effective dialogue between private and public sectors.

## GEORGIA

We are committed to helping countries to streamline bureaucracies, and to embrace accountability and international best practices. For a decade, PMCG, together with its partners, actively worked with the Government of Georgia in order to allocate funds for development more effectively and transparently, under European Commission (EC) and USAID projects.

As part of EC projects, we have implemented and/or continue to work on projects, such as "Facility for the Implementation of the Association Agreement in Georgia", "Support to Public Finance Policy Reform", and "Supporting Georgian Competition Agency" **to deepen and facilitate Georgia's integration with the European Union.**

In 2012, we worked to reduce regional economic inequality in Georgia as part of a project financed by the European Union Delegation to Georgia. The project resulted in improved coordination between ministries and national institutions, state agencies, and donors - and a better understanding among the main actors involved in **regional development policy formulation of EU-standard regional development policies and concepts.**

The project supported the Georgian Ministry of Regional Development and Infrastructure to create modern development management systems and procedures that operate in accordance with accepted EU good governance and best practice methods.

The implemented changes **strengthened institutional capacity, enabling effective use of national funds** for regional development, and increasing the capacity to collect and analyze relevant statistics in relation to regional development.

At the same time, under USAID programs like the Good Governance Initiative (GGI) led by Tetra Tech ARD and Governing for Growth in Georgia (G4G) run by Deloitte, we support legislative and executive branches of the Government of Georgia.

The focus of our collaboration is directed toward **enhancing overall transparency, accountability and effectiveness of the Government** and improving the economy, by enhancing the capacity of governmental institutions to design, fulfill and enforce reforms thereby promoting engagement between public and private sectors and civil society in the process.







# INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING

## IMPROVING EFFICIENCY AND ENHANCING PERFORMANCE

We strongly believe that effective results depend on people, good systems and strong analysis. We know that institutions need to be efficient and competitive if they are going to survive and if they are going to give their clients the level of service they need.

We are dedicated to supporting public and private institutions to transform inefficient bureaucracies into modern, efficient and transparent structures. Often, that means moving institutions away from inefficient centralized governance to an efficient and competitive structure, to efficiently enforce legislation and improve service delivery.

We perceive organizations as adaptive systems, and we use systematic approaches to help them identify and analyze existing performance gaps. That means we go far beyond just training and coaching; we analyze organizational, process and individual performance levels to address identified gaps and to assist in the implementation of performance solutions packages.

We work in several areas using a variety of tools, including human and institutional capacity development (HICD), performance assessment and management, change management, human resource management, and public outreach and strategic communications to effectively address the barriers that hinder development in the public and private sectors. We also reinforce and maintain the competences and capabilities necessary for institutions to achieve their short, medium, and long-term objectives.

As part of our organizational capacity enhancement programs, PMCG ensures that newly established or reconfigured systems and outputs are suitably aligned with the external environment and expectations of beneficiary institutions.

Significantly, the USAID Good Governance Initiative, led by Tetra Tech ARD, praised our staff and consultants, noting our important role in establishing reforms in all branches of government.

"PMCG has been a reliable and trusted partner for the five-year Good Governance Initiative (GGI) project in Georgia. PMCG's staff and local consultants have provided timely and critical input, supporting the Government of Georgia's governance reform process in all branches of government with high-quality analytical services, based on their excellent local knowledge and experience. We look forward to continuing our working relationship with PMCG over the remaining years of the GGI program," said David B. Smith, GGI Chief of Party, Tetra Tech ARD.

To illustrate both the importance of institutional development and the success PMCG is achieving in this direction, a few of our many projects are presented below.



## GEORGIA

As part of USAID's Human and Institutional Capacity Development (HICD) Plus project, led by Chemonics International, we worked with the Georgian State Electrosystem (GSE) – one of the largest state-owned electricity utility companies in Georgia – to introduce **performance-driven management** and to develop a mid-term strategic plan.

PMCG aligned and integrated a management planning system in the areas of operational management, technical management, financial management, and HR management.

Our team of consultants developed an implementation plan and a monitoring and evaluation plan. In addition, they identified Key Performance Indicators (KPIs), benchmarks and targets as well as developed corporate operational procedures. We also provided GSE staff with capacity-building measures in project management to enhance the management and monitoring skills of relevant personnel and **coached 25 members of the GSE staff and top management** to ensure the effective implementation of the reconfigured planning and management processes.

## KOSOVO

It is vitally important for the citizens of Kosovo to foster positive and constructive inter-ethnic cooperation between the majority and ethnic minority communities to address common problems in the country, such as **unemployment and access to municipal services**. That is why PMCG, under the USAID Advancing Kosovo Together program, led by Chemonics International, facilitated the organizational capacity assessment process at the Community Development Fund (CDF) in Kosovo and developed a set of recommendations and a capacity-building action plan to address performance gaps.

The self-assessment sessions helped to identify and prioritize major performance gaps as well as relevant solutions that CDF could implement to ensure that its organizational perfor-

mance was meeting the accepted standards for a reliable local partner of major international donors. The initially developed Performance Solutions Package (PSP) elaborated recommendations that were identified by CDF as priority interventions and were included in the **Capacity Building Action Plan (CBAP), which focused on grants management, operations, budgeting, financial management, human resource policy development, strategic planning and communications**.

At the second stage, the organizational capacity assessment helped to measure the organizational improvements, to track the progress CDF made in implementing the performance improvement recommendations, and to identify further gaps that should be addressed in the coming years to further enhance organizational performance.





## TAJIKISTAN

We collaborated with the Ministry of Finance of the Republic of Tajikistan in the process of the integration of HR and payroll software automation, under the World Bank Public Finance Management Modernization Project (PFMMP), led by Linpico.

After analyzing the existing processes, legal and institutional measures, we provided the Ministry with a strategy and detailed procedural plan on how to **standardize HR and payroll management in civil service organizations**. On the basis of the strategy, we also prepared a plan for its effective implementation, which included preparatory actions, implementation costs, and functional and technical requirements and specifications of the system.

As a result of this collaboration, the **Ministry obtained the necessary tools to ensure access to accurate and relevant information on personnel and to bring transparency to HR record-keeping and payroll management in public service organizations**.



## GEORGIA

Public trust in government is crucial when creating good policy, and building this was at the core of our work with the local government in Georgia's Adjara region as part of a USAID Good Governance in Georgia (G3) program, led by Management Systems International (MSI).



Traditional, input-based budgets provide limited information on the outputs and outcomes of public spending, disclosing information by line items of spending rather than clearly showing the planned programs, activities, outputs or outcomes.

Our assistance started with designing a high-level strategic direction document for the Government, which reflected all of the priorities of the local governments and was based on the results of round-table discussions with the ministries, sub-agencies, sector specialists, CSOs, and other interested groups.

Later, the government programs were delivered through programs, sub-programs, activities, outputs, outcomes and relevant KPIs. To achieve sustainability, special attention was dedicated to on-the-job trainings, coaching and workshops, covering technical and methodological aspects and the best international practices of program budgeting.

As a result of combining the best international practices with local expertise, the interest and engagement of stakeholders increased, and **citizens gained more effective and transparent self-governments**, disclosing activities, outputs and outcomes with respective KPIs, enabling





effective monitoring and evaluation of budget execution.

**"Collaboration with PMCG's experts and the project team, and obtaining qualified recommendations and sharing their experience, was very important for the professional development of employees of the Ministry of Economy and Finance. We hope to have the chance to collaborate with PMCG again,"** David Baladze, Minister of Finance and Economy of Autonomous Republic of Adjara.

We were recognized for our assistance in Adjara by the Gabriel Al-Salem Foundation, which awarded us first place

for "Consulting Without Borders" for excellence in consulting.

**"This project has important implications for Georgia: it should increase the level of trust of the local population in government, ensuring that decisions on policy and expenditure are clearer to the population. It will also, in the long turn, lead to a more inclusive policy process, ensuring that programmes and budget are formed on the basis that they meet with the needs or approval of wider stakeholders,"** noted the Gabriel Al Salem Foundation Awards Committee.

## AFGHANISTAN

Substantial delays in issuing construction permits, an ineffective legal and institutional framework, inconsistent classification of construction permits and buildings, and a lack of transparency and public engagement were among the key initial problems observed in Afghanistan.

The findings led to a project financed by the World Bank and led by International Finance Corporation (IFC) to reform Afghanistan's **construction permit** process and improve **government efficiency**.

After an in-depth analysis of the existing processes, we supported the government in the introduction of the **one-stop-shop (OSS)** principle, and an individual approach for each type of building/structure, which is known as **risk-based construction permitting**. PMCG also issued a recommendation to ensure compatibility between public, private and third-party interests.

In 2016, Kabul Municipality successfully improved its construction permits system. The progress of the project was noted at a ceremony attended by Kabul's acting Mayor and other officials.

**"We are committed to creating the right enabling environment for the construction permit process and implementing the city's development plans. The project has also**

**helped us develop the right legal and regulatory framework for permit processing and train our staff to deliver the best service possible,"** he added," said, Abdullah Jan Habibzai, Kabul's acting Mayor.

Mohammad H. Qayoumi, Senior Advisor to Afghanistan's president, said: **"Our goals with this project were to improve the investment climate and contribute to sustainable development in Afghanistan."**

Nadeem Siddiqui, IFC Country Manager for Afghanistan and Pakistan, said: **"We are pleased that construction permit practices have been aligned with international best practices and we hope this lays a foundation for further reforms."**





# MONITORING AND EVALUATION

## PROVIDING INSIGHT FOR TANGIBLE RESULTS

For a decade we have been helping governments and companies to assess the impact they are making, and to detect challenges in their operations and to understand and grasp opportunities for improvement.

When looking to improve the overall results, to achieve tangible success and to make an impact on reform or the institutional changes, monitoring and evaluation tools are extremely important. They involve an assessment of the relevance, efficiency and effectiveness of a given project or program. In this regard, we mainly focus on three directions: program monitoring, performance and impact evaluation, and data quality review.

Our monitoring and evaluation is oriented toward impact measuring and serves as a guide for project implementation and management, provides stakeholders with information on the progress being made toward the achievement of objectives and any remaining disparity between targets and actual achievements. This valuable method identifies where a program is heading, how it will get there, and whether it is using resources in the most cost-effective manner.

Using project evaluation, we identify what is positively and/or negatively influencing target groups, individual households, institutions and the overall environment. This allows us to better understand the extent to which the project results have been achieved and what impacts they have had in general, and on the target group in particular.

Strong knowledge and understanding of economic growth policy and good governance helps us to adequately evaluate the situation and improve results.

Below are just a few of the numerous projects PMCG has been carrying out successfully in the field of monitoring and evaluation.





## IRAQ

PMCG was subcontracted by QED international consulting firm to provide a performance evaluation of one of the biggest and most important programs of USAID in Iraq named TARABOT run by Management Systems International (MSI).

Since 2011, USAID has been working with the Government of Iraq to improve administrative systems under the USAID Administrative Reform Project, also known as TARABOT, led by MSI. TARABOT has actively worked with the Government of Iraq, and particularly with the Ministry of Oil and Ministry of Planning, in order to advance the management of ministries and six state-owned companies.

PMCG has been involved in this collaboration to evaluate the impact of the project and how the assistance was meeting its goals, which were increasing the effectiveness of the Government by improving public institutions, quality of service, and the human and fiscal resource management. It also sought to establish the extent to which the project had strengthened the capacity of the Government in implementing reforms.

Based on the evaluation results, the project team developed recommendations on how USAID can continue its efforts to build upon the results achieved by TARABOT, to improve the public administrative capacity of the Government of Iraq and to establish and strengthen institutions and systems.

## MOLDOVA

Reducing poverty and accelerating economic growth via reconstructing irrigation, easing access to agricultural finance, and rehabilitating the country's national road network were the main ideas behind collaboration between Moldova and the Millennium Challenge Corporation (MCC) Compact in 2013.

PMCG has contributed to this project by assessing the quality of data of the project's two components - Road Rehabilitation, and Transition to High Value-added Agriculture - to identify the extent to which the project met [the standards defined in the MCC monitoring and evaluation policy](#), taking validity, reliability, timeliness, precision and integrity into close consideration.

The outcomes were used to verify the consistency and quality of data and also served to identify where the highest quality of data was not available.



## GEORGIA

The rule of law is fundamental to any democratic society and acts as a guarantee of human rights. Therefore, PMCG is especially proud that it was selected by Mendez England & Associates to conduct a performance evaluation of the [USAID Judicial Independence and Legal Empowerment Project \(JILEP\)](#) in Georgia implemented by a consortium led by the East-West Management Institute. The project covered a wide range of [rule of law](#) issues such as [strengthening judicial independence, accountability, and capacity building](#) of key public institutions engaged in the judiciary.

In order to assess the mid-term effectiveness of the project, PMCG reviewed the tangible progress JILEP had made towards achieving the key expected results. With due regard to the assessment findings, we identified accom-

plishments, delays, challenges, and assessed the impact of the project. More specifically, we evaluated supply and demand for an independent judiciary, results of the judiciary reform, the extent to which the civil society was involved in, or contributed to, the reforms, and, finally, the efficiency and effectiveness of project support for the legal education system.

The results were used by USAID and its contractors to improve ongoing interventions in the area of the rule of law. PMCG's findings provided insights by focusing on the activities that are most meaningful and critical in developing a [more independent and efficient judiciary in Georgia, as well as strong civil society organizations \(CSOs\)](#) working in this area.



# INFRASTRUCTURE DEVELOPMENT

ADAPTING GLOBAL EXPERIENCE TO FIX LOCAL CHALLENGES

Smoothly operating and modern infrastructure is crucial for countries making the transition toward becoming developed economies. Such infrastructure creates significant added value and is essential for economic development.

Hydro power plants, oil and gas all do more than light up bulbs and heat households, they fuel the operation of companies and factories around the world. Vital infrastructure, including roads, railways and other means of transportation, help to deliver raw materials, products and services to regional and world markets.

From waste management to electricity grids, logistical hubs to water supply, PMCG's specialists assist clients by providing technical assistance, feasibility studies and detailed designs necessary to build the appropriate infrastructure for sustainable growth.

Our work with governments at all levels, from municipalities to ministries, is focused on helping them to transform the management of state enterprises and municipal enterprises, and providing them with the tools to develop and create modern organizations that serve the needs of the public.

Infrastructure development is a relatively new area of interest in PMCG's portfolio, however we are already working on the development of water and wastewater infrastructure, highways, and solid waste landfills among other facilities.

We believe that the only way to create new jobs, reduce poverty and facilitate economic growth, is to establish proper and reliable infrastructure.

To illustrate both the importance of infrastructure and the success PMCG is achieving in this direction, several of our projects are presented below.







## INTRODUCING SOLID WASTE MANAGEMENT STANDARDS

Since 2016, we have been working on an EBRD project in Georgia's Kvemo Kartli region together with HPC AG – an international engineering company - to assist the Solid Waste Management Company of Georgia to assess, design and build a solid waste management facility.

**The landfill will serve around 300,000 inhabitants across five municipalities of Georgia: Marneuli, Bolnisi, Dmanisi, Tetrtskaro, and Tsalka.**

The project team will also supervise the construction process, aiming to ensure punctual and effective construction of a new sanitary landfill. We are working on the

following: revising the project design and other project documents; developing technical requirements; and obtaining approval from the local authorities. Moreover, we also help to prepare the necessary tender documents and support the local government during the procurement process, as well as during the implementation of the contract and the construction process.

PMCG has also introduced financial management systems and provided necessary trainings for the personnel and the municipality to ensure their effective implementation. In addition, we have created systems for timely disbursement in accordance with EBRD's Disbursement Handbook.

## INTEGRATED SOLID WASTE MANAGEMENT PROGRAMME

We have worked in the Georgian regions of Kakheti and Samegrelo-Zemo Svaneti to prepare a feasibility study to develop solid waste management systems, under a KfW Development Bank project led by Infrastruktur & Umwelt.

**The Samegrelo-Zemo Svaneti landfill will serve about 274,300 people, while the facility in Kakheti will serve 275,500 people.**

Based on the in-depth assessment of the technical, financial,

institutional and socio-economic framework, the project team proposed an Integrated Solid Waste Management (ISWM) concept, including all of the relevant services and an evaluation of the potential for mitigating greenhouse gas emissions for the regional ISWM systems. We have also prepared the concept for the construction of regional sanitary landfills and other solid waste treatment systems.

A feasibility study will provide crucial insight into how ISWM systems should be introduced in these regions effectively.



## IMPROVING SERVICE DELIVERY IN WATER SUPPLY

The United Water Supply Company of Georgia (UWSCG) is one of the major water and wastewater utility organizations in Georgia, serving about 58% of the population. PMCG, as part of the Asian Development Bank project, led by Sachsen Wasser GmbH – a German consulting company, in the field of water supply and sanitation collaborates with the UWSCG to strengthen its management and operating efficiency.

One of the main ideas behind this collaboration is to improve service delivery to customers. To achieve this objective, PMCG supports UWSCG to develop and modernize by supporting and implementing measures to improve customer relations and bill collection. We also analyze the company's key monthly performance data, support the development of the tariff policy and hold training sessions for the company's employees in regions around the country to ensure long-term sustainability.



# SPATIAL PLANNING, ASSET MANAGEMENT AND CAPITAL INVESTMENT PLANS

Georgia is actively working on reforms to facilitate the decentralization of local self-governments, which need assistance to prepare for increased independence and responsibilities.

PMCG, as part of a World Bank project led by Ecorys Nederland B.V, supports the Georgian government to strengthen institutional capacities, systems and resources for public service delivery and investment management at the local level.

Spatial planning, asset management, and capital investment systems were identified as the most crucial areas for assistance. Accordingly, PMCG is preparing a guidebook on these three areas and is providing **on-the-job training for**

**1,000 employees across 70 municipalities** to ensure effective introduction of the systems. Ultimately, residents of these municipalities will receive better municipal services as a result of the project.

Additionally, PMCG assists local self-governments by identifying the software’s functional requirements and technical specifications, which are necessary to effectively implement the planning process.

The joint efforts will ease the process of decentralization and local self-government reforms, which are an essential part of facilitating economic development in the regions of Georgia.

## ROADS

As part of a World Bank project, led by Antea Netherlands B.V, we are working on a feasibility study and detailed design to upgrade the Rustavi – Red Bridge and Rustavi – Sadakhlo roads in Georgia.

These roads are crucially important as they form part of the East-West Highway project, which is a strategic project designed to transform Georgia into a transport and logistics hub for trade connecting Central Asia and the Far East to Turkey and Europe. However, before starting the building process, the Government of Georgia, through the Roads Department of Georgia, needs a feasibility study and detailed design to be carried out.

In the first phase, PMCG’s team is analyzing the environmental impact of the project, taking into account the positive and adverse effects, recommending appropriate solutions to minimize undesirable effects, and preparing the resettlement policy framework.

During the second phase, the team will develop a detailed Resettlement Action Plan (RAP) based on the Resettlement Operation Policy of the World Bank (OP/BP 4.12) and the Resettlement Policy Framework (RPF), which were prepared in the first phase, as well as the relevant national legislation and procedures specified in these documents.





## REGIONAL INFRASTRUCTURE DEVELOPMENT

PMCG cooperates keenly with international development institutions to contribute to regional infrastructure development, which we believe is one of the most essential contributors to a country's overall economic development.

Together with Temelsu – a Turkish consulting engineering company - we have launched a European Investment Bank (EIB) project, designed to supervise construction and rehabilitation works in 18 towns and to administer the defect notification period (DNP) for nine towns of Georgia.

**As a result of the project, over 50,000 residents from 18 towns of Georgia will benefit from effectively functioning modern water supply systems and will enjoy a continuous water supply.**

At the same time, we work with Temelsu and Hill International – an American construction consulting firm – as part of an Asian Development Bank (ADB) project, which envisions supervision of construction/rehabilitation works on water and sewerage systems.

The project team works together with the United Water Supply Company of Georgia (UWSCG) to support one of the largest water supply companies in Georgia, by providing construction, rehabilitation and renovation works on the water supply and sewerage systems in three towns (Bolnisi, Chiatura and Marneuli) of Georgia.

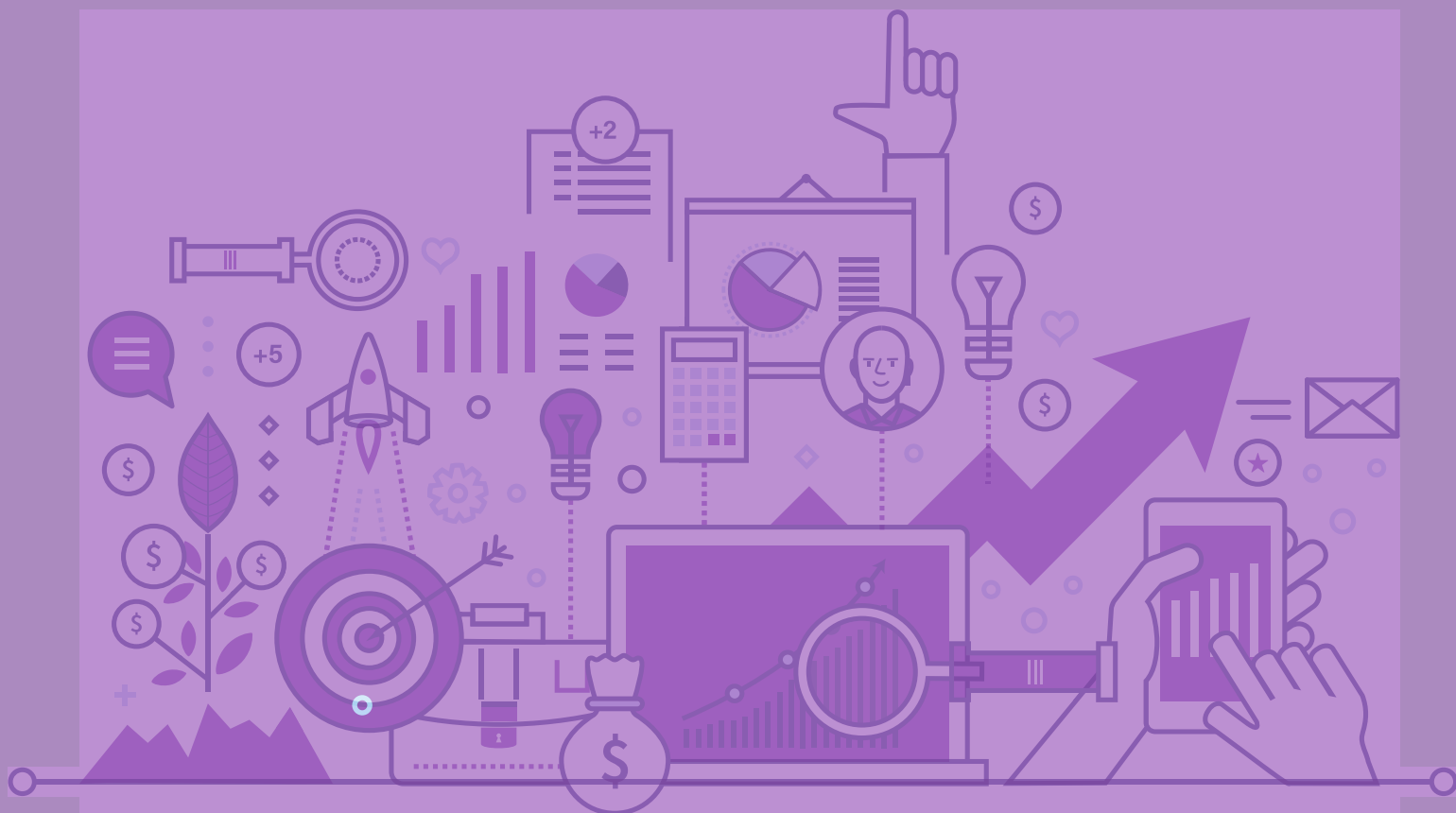
**About 200,000 residents across the three towns will benefit from having modern and improved water supply systems.**

We have recently started working with Antea Netherlands – part of Antea Group, an international consultancy and engineering firm - to review the Baseline Contamination Rectification Commitment Action Plan for **Anaklia Deep Sea Port**, which needs approval before proceeding to the construction stage.

Anaklia Deep Sea Port is a project of global significance for Georgia as it is one of several new global initiatives connecting economic giants of the modern world such as Europe, China, and India with the countries of the Caucasus and Central Asia regions. The project intends to massively boost the economic development of the countries engaged in the Silk Road initiatives.

In order to ensure that the plan is appropriate and complies with the terms of the investment agreement, the project team is reviewing the baseline environmental study of the investment area covering issues of geology, hydrology and hydrogeology before providing constructive comments. In addition, the project team is studying the Rectification Commitment Plan and the investment agreement, and will also issue a report about the legal compliance of both relating to the building, operation and transfer of Anaklia Deep Sea Port.





# CORPORATE DEVELOPMENT AND MANAGEMENT CONSULTING

FACILITATING HIGH-PERFORMANCE AND PROFITABILITY

Companies turn to PMCG for sound advice on raising capital investment as well as market expansion and development. We help executives to make better decisions by using our experience and networking to support companies to make the best choices when faced with challenges and opportunities.

While we do work with large corporations, we also actively collaborate with small and medium-sized enterprises (SMEs), as we believe that they are key drivers of economic development. From international standards certification to corporate expansion, our consultants provide expert advice in a wide variety of areas, including business development, financial advice and investment, mergers & acquisitions, and market penetration.

Our specialists have hands-on experience in their area of expertise, which allows PMCG to provide custom-made solutions based on a company's needs.

We have provided SMEs with invaluable insight as they navigate the challenges and opportunities presented by the Deep and Comprehensive Free Trade Agreement (DCFTA) in the EU's Eastern Neighborhood (Georgia, Moldova, and Ukraine).



## MARKET PENETRATION

Companies need to have a clear understanding of where they want to be and what they want to achieve, as well as an effective market penetration strategy to successfully enter new markets.

A trading company named Chventan sought to penetrate new markets in 2016, and, under an EBRD project, we worked with them to increase their turnover and create new jobs by making prudent, intelligence-based plans for expansion and better market penetration.

Our experts revised the company's diagnostics and business plans, and assessed the current business conditions, local and international trade trends, and prepared a complete analysis of Chventan's strengths, weaknesses and opportunities.

Results of the analysis will support the company to implement their plans, and to secure investment to expand the business.

## SUPPORTING SMALL AND MEDIUM ENTERPRISES

At the early stages of development in transitional countries, SMEs meet a common key challenge – access to finance.

To support SMEs to surmount this obstacle, the EBRD launched a project in Georgia, led by DAI International – a global consulting company - aimed at expanding and strengthening the capacity of small businesses to access finance. At the same time, the project focuses on stimulating the local banking sector to offer new financee and trade tools to SMEs.

In order to meet its objective, PMCG works with private banks to enhance their ability to deliver tailored products to businesses, and we also work with SMEs to promote and strengthen their ability to access appropriate finance products and services.

The project expects to facilitate dialogue between these two sectors allowing medium and long term contributions to be made to job creation and sustainable growth for businesses.

## ENHANCING TOURISM DEVELOPMENT

PMCG also cooperates keenly with companies operating in the field of tourism. As an example, in 2017 the World Bank launched a project in Georgia, led by Ecorys Poland, aimed to support the promotion of Georgia as a tourism destination.

We work with the key stakeholders of the industry to identify the marketing needs of Georgia and to develop an effective tourism development strategy for the country. Meanwhile, online marketing campaigns in targeted

markets, such as Poland, Germany and Israel are designed to raise awareness of the country on the international tourism market.

Ultimately, the project will provide Georgia with an effectively targeted tourism strategy that will facilitate an increase in the number of visitors to the country, and will support sustainable development of businesses operating in this field, by providing detailed information regarding the country's tourism priorities and detailed activities.







## STRENGTHENING BUSINESS OPERATIONS

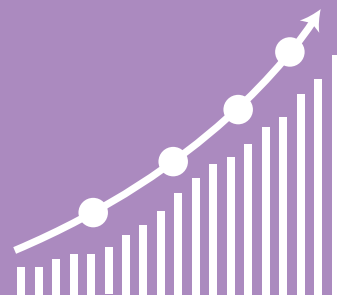
A business is only as strong as the structure on which its operations rely. Strategic analysis of how a company is managed, entailing a deep look at every step of the process, is crucial to identifying the aspects that need to be developed and strengthened to retain a business's competitive edge.

PMCG cooperates with SMEs in the region of Caucasus to strengthen their business operations and market outlook. For instance, under the Tbilisi Entrepreneurship Support Center project, we worked with six companies.

We have analyzed the strategic aims of businesses and their

organizational structures, and compared existing company models with their long-term strategic goals. We analyzed the job descriptions in place at the relevant businesses, as well as the information systems and decision-making processes. We looked at their current logistics processes and studied the current economic factors and market problems for each business. Moreover, we examined the financial strategies and calculated the costs of each business and looked at each businesses' investment plan in terms of its effectiveness.

Our collaboration enabled various companies to strengthen their business operations and market outlook.



# QUALITY MANAGEMENT AND INTERNATIONAL STANDARDS TO MATCH DCFTA REQUIREMENTS

Introducing and embracing international standards can move any business to the next level in terms of customer service and satisfaction. In doing so, a company benefits from high customer loyalty, repeat business, increased revenue and a larger market share due to its flexibility and ability to respond quickly to opportunities in the market.

In 2010, we supported Rusmetali, one of the biggest Ferro-alloys manufacturing companies in Georgia, to obtain the ISO 9001:2008 certificate. Our work helped the company to strengthen its position with existing clients as well as with potential clients, and also helped it to receive international recognition.

Our work also improved the company's operational processes which, in the long term, will allow the organization to make optimal use of financial resources and constantly deliver a high-quality product.

It is almost impossible, when operating in the field of food production, to enter large markets such as Europe without introducing and adhering to international standards.

Ecopex, a Georgian hazelnuts export enterprise also



sought to enter new markets. In order to reach their goal, Ecopex contracted PMCG to assist in the process of introduction of food safety standards ISO 22000, which was a key step toward achieving success.

PMCG analyzed the existing situation and, based on the results, identified the processes and fields that needed to be improved. To achieve the final goal, quality and food safety systems were introduced and we also assisted Ecopex to obtain international certification.





# PMC RESEARCH

## USING POLICY RESEARCH TO PROMOTE ECONOMIC LIBERTY AND PROSPERITY

Research-based policymaking is a fundamental part of the legal and regulatory framework that promotes long-term, sustainable development. Open and results-oriented public discussion is also an invaluable component of good governance, as evidence-based policy contributes to well-informed decisions by using the best available options for policy development and implementation. At the same time, profound studies provide valuable information for large businesses and financial institutions to support them to make informed and effective decisions. With this in mind, we decided to establish an independent subsidiary – PMC Research – in 2010.

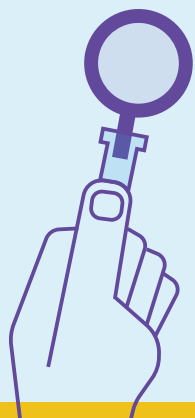
PMC Research is an award-winning think tank that aims to facilitate economic development by analyzing economically challenging areas in Eurasia and the wider region, including economic and public policy, international trade and investment, labor market and migration, social policy, and democracy and civil society. By combining our global and local expertise, we elaborate research-based policy options that are focused on transparency, economic development, freedom, and prosperity.

As part of our work, we believe it is important to promote and support young researchers as they start their careers. Together with our partners, we have managed to identify a number of talented researchers and have given them the chance to study and discuss key topics that challenge our society today.

Since 2013, we have been publishing “Economic Outlook and Indicators”, a bi-weekly newsletter that provides unbiased information to representatives of public and private sectors regarding vital economic topics, such as public finance management (PFM), foreign direct investment (FDI), the banking sector, trade, tourism, and agriculture.

In 2017, we expanded our global research network by becoming a regional partner of the IFO Institute for Economic Research, a research institution based in Munich, Germany.

We know that dialogue is a crucial part in the process of introducing new initiatives, programs and reforms. Therefore, together with our partners, we have developed a platform to stimulate constructive and systematic policy debates that establishes cooperation practices among different political and social groups. Through this approach, we have organized more than 50 public debates, bringing together a wide range of stakeholders oriented toward finding ways to achieve optimal decisions for policy planning, design and implementation.





## TRADE POLICY

Trade is one of the most important drivers of the economy. Free trade agreements (FTAs) are effective tools for facilitating trade relations. We believe that it is also very important to analyze and conduct an in-depth study of the environment and the regional context, in order to make informed steps. Georgia has FTAs with the European Union, China, Turkey and other countries.

Such an interesting context prompted us, together with the Konrad Adenauer Foundation, to study the effects of certain agreements, especially those with a neighbor of Georgia – Turkey, and one of its main trade partners – China. Our joint project “Public Policy Discourse Panel: Policy Research for Sustainable Economic Development” analyzed the impact and potential of these deals for the economies of Georgia and its trade partners.

Over the past decade, **Turkey** has been one of the main economic and trade partners for Georgia. Relations between the countries reached a new level in November 2007, when an FTA was signed, aimed at facilitating trade-economic relations and encouraging businesses to access each other's markets and to support the implementation of investment projects. It is important to assess the impact of this FTA, in order to create the necessary policies to alleviate possible negative effects and to maximize possible benefits. The purpose of our study was to analyze trade relations between the countries and make an ex-post assessment of the FTA to determine the actual effect of the agreement on the Georgian economy.

Based on the research results, we identified challenges in implementing the FTA efficiently and issued policy recommendations to overcome them. We gathered all of the key stakeholders – representatives of government, business associations, CSOs, and others – to discuss these challenges as well as ways to fulfil the potential of the agreement.

In 2015, Georgia and **China** entered into serious negotiations over an FTA, which eventually concluded with the signing of the agreement.

PMC Research, in collaboration with professors of China's University of International Business and Economics (UIBE), the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Commerce of the People's Republic of China, conducted research to evaluate the potential ex-ante effects of the agreement on existing trade flows and to identify the specific areas of interest for further cooperation.

Based on the research findings, conclusions and recommendations were made regarding the options for future action, including the scope, framework and architecture of the FTA in furthering bilateral trade investment and economic cooperation to expand and enhance possible benefits.

At present, our researchers are studying China's **One Belt, One Road (OBOR)** initiative, which involves China underwriting billions of dollars of infrastructure investment in countries along the old Silk Road linking it with Europe, in order to increase collaboration between the various countries involved.



## SOCIAL POLICY

Social policy is at the heart of reforms reducing poverty and ensuring that all citizens have equal access to the services and opportunities they need.

Healthcare is a crucial component of good social policy. In February 2013, the Government of Georgia launched the

country's universal healthcare program. The aim was to improve access to healthcare and to decrease high out-of-pocket expenses for citizens. Under the program, all Georgian citizens were provided with a basic healthcare package. In addition to an increase in the availability of healthcare, the Government introduced tariffs on healthcare



services and differentiated copayment rates according to age groups. PMC Research, in collaboration with the Konrad Adenauer Foundation, conducted a study into the sustainability of the Government's program.

A two-year research project assessed the financial sustainability of the universal healthcare program from 2013 to 2015.

The aim of the research was to analyze the preliminary results of the universal healthcare program, to assess its financial sustainability, and to quantify its economic impact. The research provided the public and policymakers with cost projections and potential economic benefits of the reform, as well as a detailed list of recommendations for the Government regarding ways to increase the cost-effectiveness of the program and to ensure fiscal sustainability based on the experience of well-functioning healthcare systems in other countries.

In 2015, the Government of Georgia started to consider introducing a compulsory pension saving scheme, which implied that the Government, employee, and employer each pay a 2%+2%+2% contribution to the mandatory pension fund.

We believed that it was necessary to research the effects of the proposed initiative, before a final decision was made and, together with the Konrad Adenauer Foundation, we studied the topic to examine the possible outcomes of the system based on particular challenges in Georgia and international experience.

The study gave a fuller picture to the Government of Georgia regarding the potential outcomes of the reform and addressed issues including the risks associated with the initiative, the part of the population affected, the impact on budget expenditure, the sustainability of the system, and whether it would ensure a “deserving” pension or not.

## EDUCATION POLICY

During the last decade, internationalization has become one of the main priorities of higher education institutions (HEIs) around the world.

In 2003, the Georgian government embarked on a mission to reform and modernize the education system. The reform process encompassed the transformation of every aspect of the education system, including: the introduction of new education standards, curriculum, textbooks, techniques and teaching methods; investment in research and international cooperation; and making Georgia an attractive destination for overseas students and researchers.



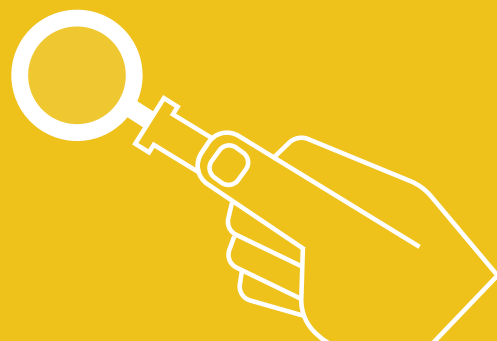
The main achievement of the reforms was the eradication of corruption in the education system. However, the quality and standards of education remain a significant challenge.

In 2016, PMC Research, together with the Konrad Adenauer Foundation, analyzed the existing trends and the prospects of exporting Georgia's higher education system. The study examined the trends of student flow, challenges and opportunities of internationalization in Georgia, as well as major impediments and favorable aspects for internationalization. The study provided detailed recommendations for creating an enabling and stimulating environment for HEIs to become successful players in the global educational market.

Based on the study outcomes, Georgia initiated the program “Study in Georgia” and PMCG now works with the Ministry of Education and Science of Georgia to analyze more specific aspects such as living and educational expenses as well as the situation in terms of student housing.

We will also provide recommendations regarding the methodologies and tools suitable to improve systems for students' employment. Together with partner organizations, we are working on an action plan and strategy in order to develop and promote the brand “Study in Georgia”.





## RENEWABLE ENERGY AND ENVIRONMENT POLICY

The promotion of renewable energy sources (RES) is part of the EU's energy policy, including a commitment to deliver a carbon-neutral electricity supply by 2050.

Brussels developed the Renewable Energy Directive 2009/28/EC (hereafter – Directive) as a common framework to promote RES in order to increase the share of renewables in the EU's energy consumption up to 20% by 2020.

In 2016, in collaboration with the Konrad Adenauer Foundation, PMC Research assessed the challenges and opportunities for Georgia under the Renewable Energy Directive.

For Georgia, the assessment of this Directive and its requirements is crucial because, under the EU Association Agreement, the country is committed to gradually approximating its legislation to the EU's energy legislation and international instruments.

As a result of the study, PMC Research published a report that defined: the implications of the Directive; best international practices in renewable energy; challenges and opportunities for Georgia under the EU's RES framework;

and recommendations for the best support schemes for the promotion of RES in Georgia. The study was presented to officials and policymakers to use as a tool to develop sound policies for a sustainable energy policy that corresponds with EU regulations and best practices.

In a separate project, PMC Research investigated how **clean energy** investments can contribute to energy security through the reduction of energy import dependency. The potential of clean, environmentally friendly, renewable sources of energy in Georgia is unfulfilled. For instance, only 18% of economically feasible hydropower energy (40 bln kWh annually) is being utilized. Besides, Georgia has considerable untapped potential in the exploitation of wind and solar energy.

Our research showed that clean energy investment in Georgia could **create as many as 12,448 new jobs**, reduce harmful greenhouse gas emissions, which would include the reduction of CO2 constitutes, and improve the country's energy security through reducing its energy import dependency.



## WASTE MANAGEMENT

In developed countries, waste management entails a very complex system that includes waste reduction/prevention, reuse, recycling, energy recovery and disposal. In emerging and developing countries like Georgia, waste is only managed by collection and disposal in landfills.

The current problems in waste management in Georgia are wide-ranging and all of them cannot be tackled at the same time. So, the focus of our research conducted in partnership with the Konrad Adenauer Foundation was to analyze the existing situation and to define future steps toward intro-



ducing an effective waste management system in Georgia.

One of the main recommendations discussed with the key stakeholders was that the country should start by separating waste at an institutional level: in schools, universities and public service offices. This would raise awareness regarding the importance of waste management and facilitate a change in the behavior of a considerable proportion of society.



## AGRICULTURE AND RURAL DEVELOPMENT

This year, we have launched the European Commission project led by People in Need (PIN) Georgia, where we work with CSOs from seven regions of Georgia to strengthen their role as effective vectors of democratic and socio-economic development in rural areas and to increase their engagement in the DCFTA implementation process.

As part of the project, PMC Research is working with representatives of CSOs from each of the regions to conduct a value chain analysis (VCA) on region-specific agricultural products that will strengthen organizations' capacity in conducting analysis.

Previously, under a European Union project, we trained the staff of regional universities from three different regions of Georgia (Adjara, Samtskhe-Javakheti and Kakheti) and, at the same time to ensure effective knowledge sharing, we, together with these institutions, worked on a value chain analysis (VCA) of three different agricultural products

relevant to each specific region.

As a result of this collaboration, the universities strengthened their theoretical knowledge in modern research practices and conducted real analysis, putting newly obtained knowledge into practice. The project was also very important for local farmers as they have limited access to contemporary methods of agro-farming and scant information about potential markets, where they can sell their products.

We have worked with the Ministry of Agriculture of Adjara, under a UNDP project aimed at promoting rural development in Georgia, including rural tourism and investments in agriculture. In close collaboration with the Ministry, we developed the Rural Development Strategy of Adjara for 2016-2020, which is already in its implementation phase and is supporting the Government of Adjara to elaborate marketing campaigns.

## FACILITATING RURAL TOURISM

In 2017, the European Commission launched a project to promote rural development and diversification in Khulo Municipality, Georgia. PMC Research, Caritas Czech Republic and the Croatian Rural Development Network are working together to improve the employment and living conditions of the Municipality's citizens.

In order to ensure effective implementation and to meet municipal challenges, the project team created a local action group (LAG), comprising all key stakeholders, including local government officials, farmers, CSOs, youth groups and business owners.

We are working with the LAG, conducting interactive workshops and other activities that will help us to under-

stand specific development issues facing their community. Based on the subsequent findings, we, together with local stakeholders, will elaborate a tourism development strategy, assist the LAG to conduct a public presentation of the strategy, and then gather and reflect on feedback on the strategy.

Such an approach will ensure that all of the needs and challenges of the local community will be accommodated in the final strategy that will support the project's overall aim to address local poverty and unemployment, by developing local tourism, small businesses, and agricultural production, all of which can positively affect the economic situation as a whole.



## CORPORATE SOCIAL RESPONSIBILITY - EMPOWERING EDUCATION

Despite many fulfilling years of helping governments and communities to embrace the foundations of economic liberty, at some stage we realized we could do more. We understood that we needed to go beyond our day-to-day work and use our experience and expertise to empower youth, thereby ensuring progress for generations to come.

We firmly believe that knowledge is the strongest basis for effective development. We are also certain that a country's progress depends on having highly motivated young people. This is particularly true in

the case of developing countries, where the youth play a crucial role in steering progress.

Therefore, it has become clear to us that we need to support and offer additional incentives to motivate young people who, like us, are thirsty for innovation and positive change.

With this in mind, in 2015 we launched our scholarship program and started financing the education of several students, funding their studies at top-tier universities, preparing students for careers that







dovetail with PMCG's values.

"The progress of the whole world depends on highly motivated and educated young people. We are glad that we have an opportunity to create additional incentives for motivated students, and to invest in a stable and progressive future", explained Aleksi Aleksishvili, CEO and Chairman at PMCG.

"PMCG gave me the chance to reach my goals in studying, which formed the basis for me to develop both my personal and professional life. This scholarship has been the most important help and biggest

motivation for me," said Kristine Bakradze, one of PMCG's scholars.

In addition, PMCG is working with younger children, as part of a partnership with First Step Georgia – an organization dedicated to enhancing the quality of life for children with special needs – by providing direct care, public advocacy, family support services and training.

We believe that, through our financial support, we are enabling children with special needs to exercise their rights, including the right to be an equal member of society. Moreover, our contri-







bution is enhancing the quality of life, and promoting the rights, of children with intellectual and physical disabilities.

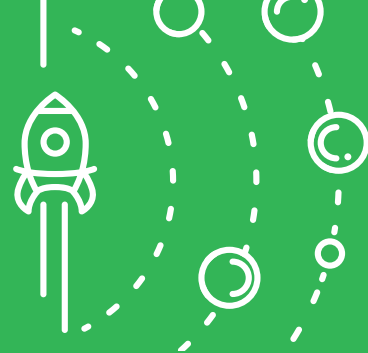
In addition, we are committed to continuing to improve the working conditions at PMCG, and this is a core element of our CSR efforts.

Our staff are key to our success and we work diligently to make sure they have a comfortable working environment. We provide equal opportunities to every team member, regardless of race, gender or any other attribute. Our policy has

helped us to grow and prosper. Indeed, our efforts and achievements have been recognized by [UNDP Gender Equality Award 2015](#), which awarded us for Gender Balance at the Executive Level in 2015.

Over the last decade, we have stood by our belief that gender equality is a crucial way of ensuring progress in today's business environment. We believe it is our responsibility to demonstrate that [equal opportunities, rights and working conditions](#) should be second nature to all companies. As our company grows further, we are committed to more CSR activities by both investment and personal involvement.





## PMCG LOOKING AHEAD

It started out as just a small idea, but over the past ten years PMCG has grown into an international service provider with a track record of success in several countries around the world.

Seeking to maintain this upward trajectory, we are committed to expanding the scope and quality of our services. In 2016, we started using our office in Washington, D.C. as part of our strategy to work more closely with the US-based international organizations and US government institutions.

Plotting for the next decade, we are thinking strategically about how far we should expand, and the extent of our capacity to respond to challenges.

We are constantly improving our operations and products as well as ensuring that we create the maximum level of comfort and satisfaction for our partners and clients.

We are committed to meeting international standards in everything we do at PMCG. This is an approach we apply across all our services - from quality assurance mechanisms to the best standard of project management and prudent human resource management.

PMCG is dedicated to increasing the quality and quantity of people we work with, both locally and internationally. We plan to place a special emphasis on projects in Eastern Europe and Central Asia, regions in which we have already made notable progress and carried out dozens of successful projects.

As 2018 beckons, we believe it is important that we continue to focus on Georgia and the wider region, providing even more in-depth assistance as the countries in the Caucasus and Eurasia continue their transitions from command economies to free market economies.

From Georgia to Ukraine, from the Balkans to Mongolia, we believe it is important to continue to work with such countries, so that they can achieve even more progress to bring about deep, sustainable change.

In fact, as countries develop, they require more sophisticated products and services, something we are working devotedly to provide. For example, fiscal policy reform needs to be continuously worked on before it can be perfected. This is equally true in other fields, such as good governance, anticorruption, decentralization, and the formation of democratic systems and their development.

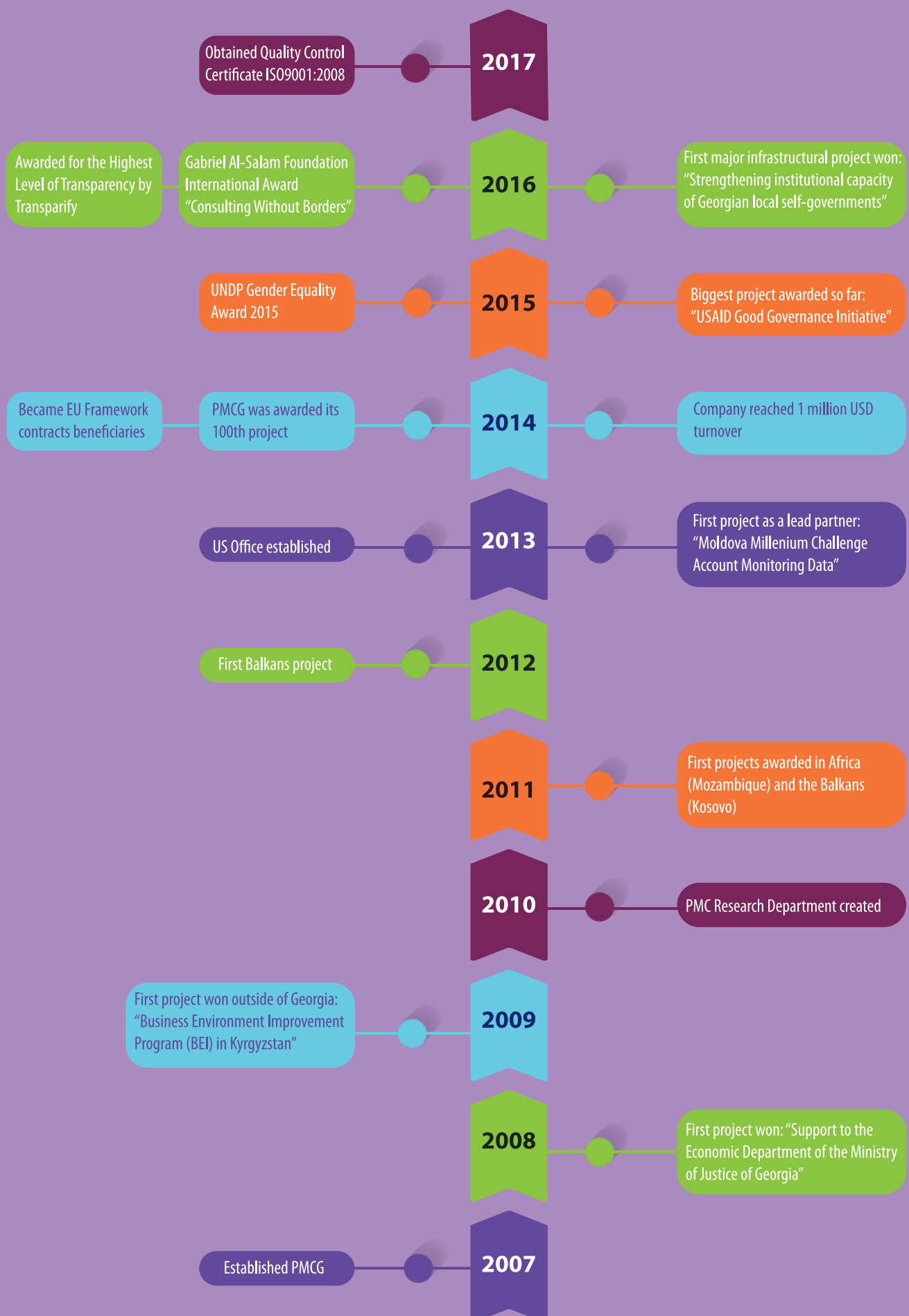
Our work is already directed toward meeting these challenges by accentuating our best qualities. At PMCG, we know hard work and commitment has been key to our success, while from the outset we knew that with greater knowledge would come greater results. Having devoted thousands of working hours to improving our knowledge, and after ten years of successful projects, we remain thirsty for progress.

Over the next five years, we hope to continue our work in direct cooperation with major international institutions such as the World Bank, United States Agency for International Development, European Commission, UK Department for International Development, United Nations Development Programme, European Bank for Reconstruction and Development, Asian Development Bank, and others, in part through better communication with them about our successes and ideas.

We also plan to continue to invest in our team, allowing them to gain experience and acquire knowledge to help PMCG in reaching its ultimate goal: to help countries and institutions to get the most out of economic reforms and craft policies that will lead to free economies and, ultimately, better livelihoods for their people.



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