



*Trends and Opportunities in Advancing
South-South and Triangular Cooperation in*
Georgia

2018



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Image on the cover page: "These 15 raised poles means that 15 sons were born in the Adishi community in 2016. Photo by N. Alavidze/[Agenda.ge](http://agenda.ge)"

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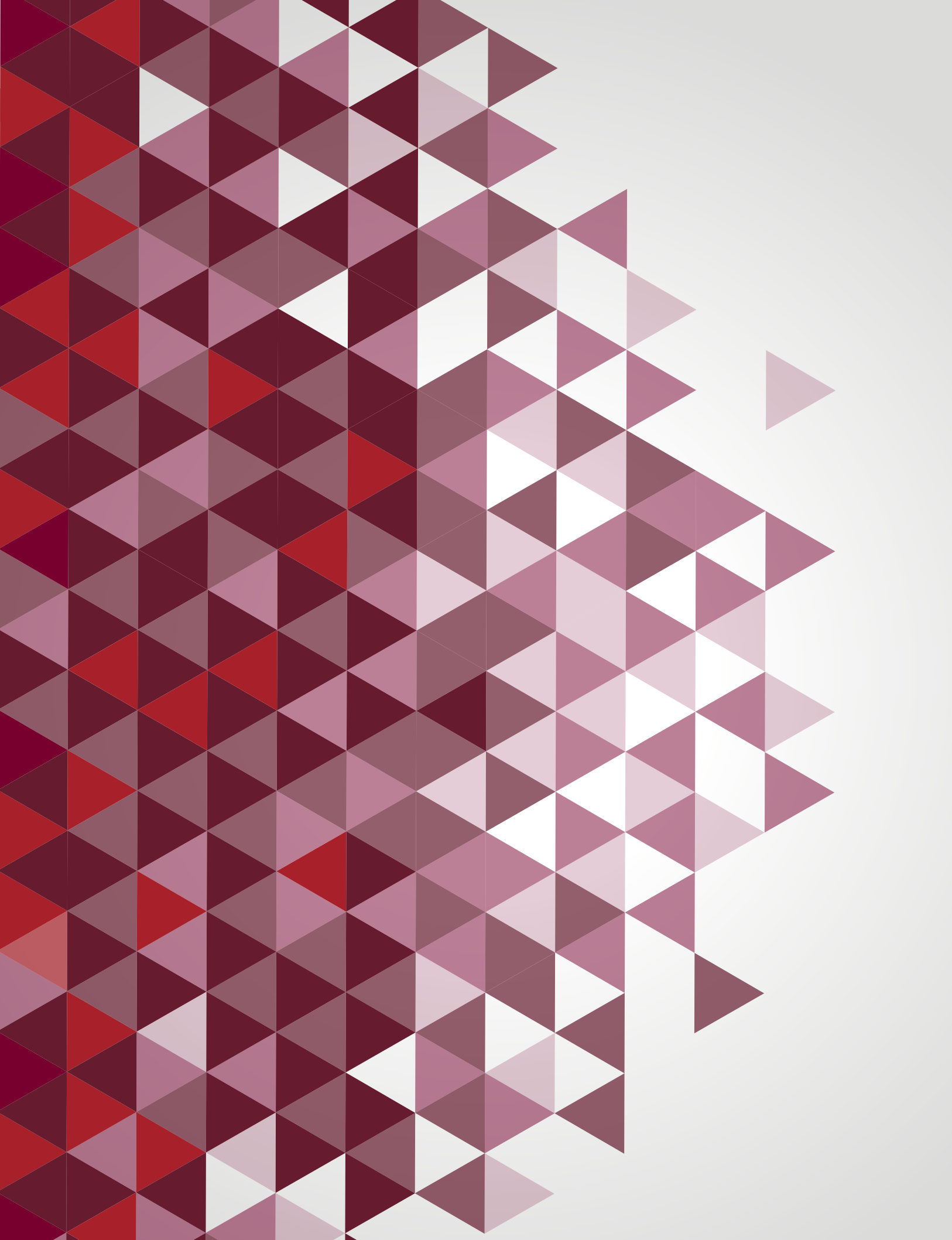
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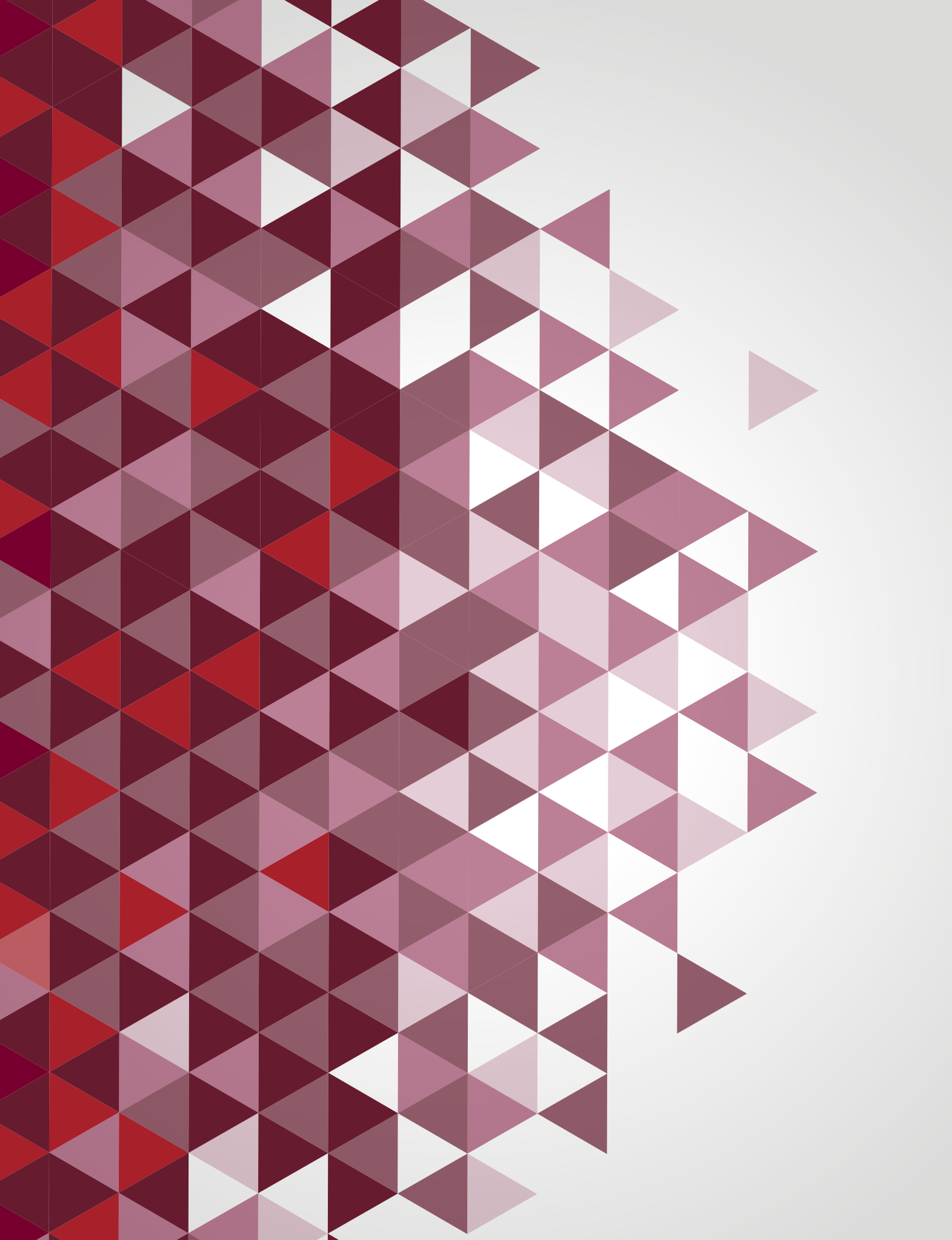




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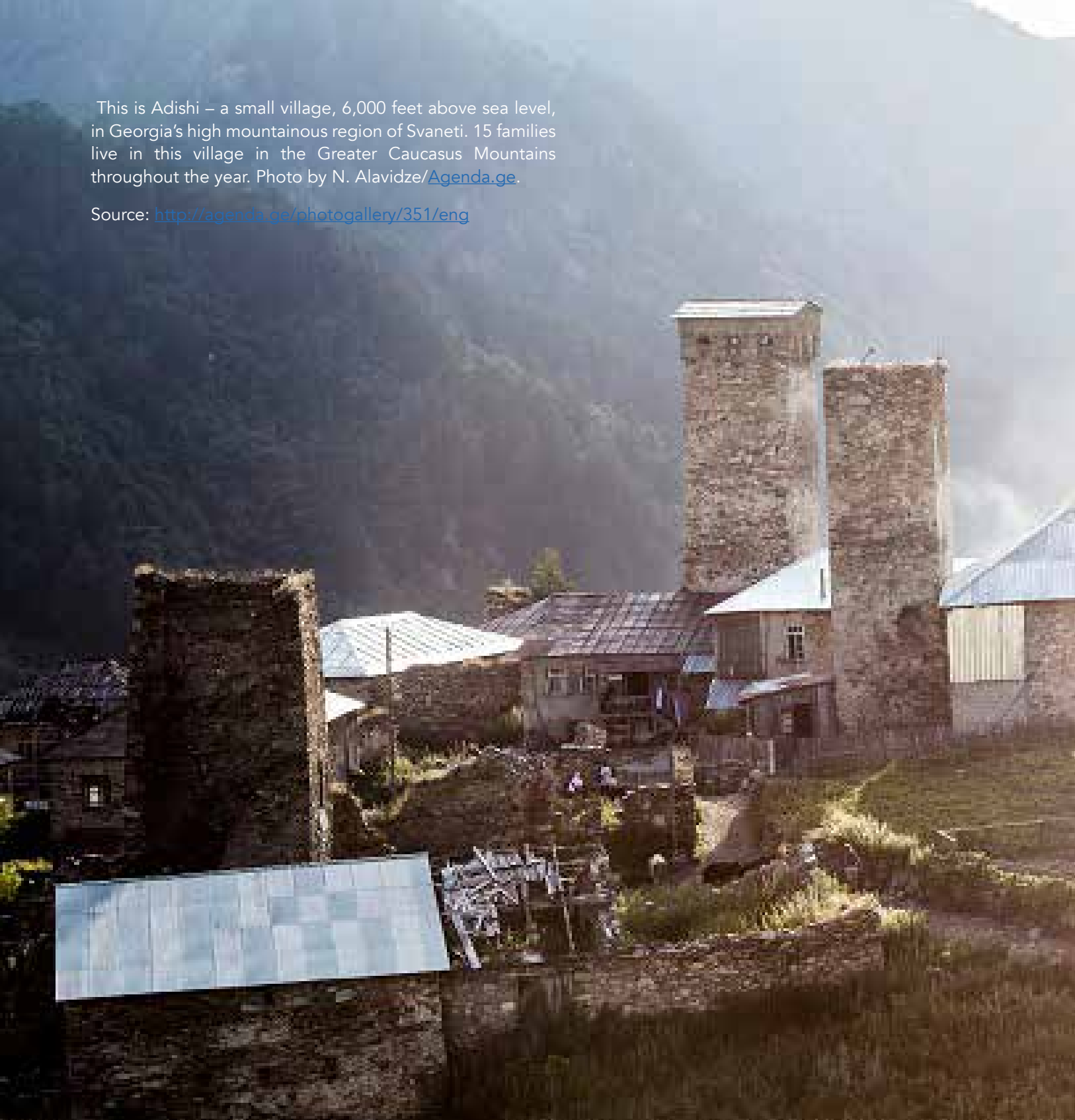
AA	Association Agreement
ADB	Asian Development Bank
AGWP	Annual Governmental Work Plan
AoG	Administration of Government
BSEC	Organization of the Black Sea Economic Cooperation
CAREC	Central Asia Regional Economic Cooperation
CIS	Commonwealth of Independent States
CSO	civil society organization
DAC	the OECD Development Assistance Committee
eAIMS	Electronic Aid Information Management System
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
ECIS	Europe and the Commonwealth of Independent States
EIB	European Investment Bank
ENP	European Neighbourhood Policy
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GEL	Georgian Lari, currency of Georgia
GITA	Georgia's Innovation and Technology Agency
IOM	International Organization for Migration
LEPL	Legal Entity of Public Law
MMS	Municipal Management System
NAPR	National Agency of Public Registry
OECD	Organisation for Economic Co-operation and Development

OGP	Open Government Partnership
PAR	Public Administration Reform
PSDA	Public Service Development Agency
PSH	Public Service Hall
SDG	Sustainable Development Goal
SIGMA	Support for Improvement in Governance and Management
SSC	South-South cooperation
TC	triangular cooperation
UN	United Nations
UNCT	United Nations' Country Team
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNICEF	United Nations Children Fund
UNOSSC	United Nations Office for South-South Cooperation
UNPSD	United Nations Partnership for Sustainable Development
USAID	United States Agency for International Development
WHO	World Health Organization



This is Adishi – a small village, 6,000 feet above sea level, in Georgia’s high mountainous region of Svaneti. 15 families live in this village in the Greater Caucasus Mountains throughout the year. Photo by N. Alavidze/[Agenda.ge](http://agenda.ge).

Source: <http://agenda.ge/photogallery/351/eng>



PART 1. INTRODUCTION

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Background

Georgia is located in the Caucasus region on the coast of the Black Sea (on the west) and borders Russia on the north, Turkey and Armenia on the south, and Azerbaijan on the south-east. Historically, the country is located on an important north-south trade route in Eastern Europe. Energy imports to the European Union from neighboring Azerbaijan pass through Georgia. Since gaining the independence in 1991, Georgia has undergone a painful process of political and institutional reformation, civil conflicts and economic crisis. The peaceful Rose Revolution in 2003 marked a strong shift towards European integration and gave the new impetus for the democratic and economic reforms aimed at strengthening public institutions and paving the ground for intensifying economic development. Suffered from corruption and consequences of disintegration of economic ties, Georgia has undertaken significant reforms towards integrity, establishment the rule of law and economic and social areas revival. Today the country, according to the international institutions, is rated among the best countries in the region for doing business, transparency and integrity of public administration. As the dynamic transformations continue to strengthen public administration, reduce poverty and facilitate economic development, the path of reforms allowed the country to ensure economic growth at the level of 5% annually and this is despite numerous disturbances of the past decade, including the global crisis of 2007-2008, and the conflict with Russia in 2008. Being scarce in market-demanded

hydrocarbons or other mineral resources, the country put efforts and succeeded in improving efficiency and effectiveness of public spending and providing of public services, improving business environment through innovations and promoting foreign investments. Transit and tourism sectors are among the main contributors to the Georgian economy.

With the adoption of the 2030 Agenda and the Sustainable Development Goals the Member States seek for more opportunities to achieve the set objectives. In this context, South-South Cooperation (SSC), seen as a partnership among equals based on solidarity, is viewed as one of the effective drivers for change that offers opportunities for developing countries to leverage their own experience, knowledge and resources in support to social and economic transformations. Through the exchange of expertise, technologies and resources, SSC enables countries to access locally relevant, affordable and adaptable development experiences, build their capacities and devise solutions for their autonomous development. The cohesive meaning of South-South cooperation is reflected in the definition proposed by the UN: "... a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for

their individual and/or mutual benefit within and across regions.” Triangular cooperation (TC), which facilitates SSC, “...involves Southern-driven partnerships between two or more developing countries supported by a developed country/or multilateral organization to implement development cooperation programmes and projects.”¹

Considering the active efforts of Georgia in advancing cooperation with developing countries and countries in transition supported with the substantial demand from those countries in expertise and knowledge accumulated in Georgia, its active role in pioneering nationalization of SDGs and voluntary commitments to advance attainment of the 2030 Agenda worldwide, the stocktaking of trends and opportunities for South-South and triangular cooperation has been conducted under the request of the Government of Georgia to further identify opportunities for mutually beneficial development partnerships in order to support national and international stakeholders to shape the vision and implementation of South-South cooperation activities and to unleash the role Georgia can play as South (East) knowledge provider and development partner in line with its national priorities.

Objectives and methodology

The stocktaking aimed at further defining Georgia’s priorities and strategic preferences in South-South (East-East) cooperation, as well as the country’s level of preparedness to pursue such priorities and preferenc-

es as an important step towards unleashing the potential of South-South and triangular cooperation for Georgia, the ECIS region as a whole, and beyond. The stock-taking exercise was conducted to identify relevant South-South (East-East) cooperation frameworks, conditions, patterns, successful practices and challenges at the level of individual line ministries, public agencies, as well as UN agencies, funds and programmes and development cooperation partners active in Georgia.

The methodology of the stocktaking includes desk review of the existing policy and institutional frameworks for SSC and TC in Georgia, the survey aimed to collect information on existing capacities and expertise as well as data for analysis of the current state of SSC and TC in the country and consultative meetings with the key governmental institutions and international partners. Fifteen consultative meetings with the governmental institutions recommended by the national authorities coordinating the stocktaking on the side of Georgia (the Administration of the Government and the Ministry of Foreign Affairs), as well as with UN Country Team (UNCT) and development cooperation partners provided additional data for the analysis of the potential areas for cooperation, including knowledge and expertise sharing, as well as potential frameworks and activities that can facilitate active engagement of Georgia in South-South cooperation, and informed the findings of the stocktaking exercise. The meetings were held at the Administration of the Government, Ministry of Foreign Affairs, Ministry of Justice, Ministry of Inter-

¹ Framework of operational guidelines on United Nations support to South-South and triangular cooperation. High-level Committee on South-South Cooperation. Nineteenth session. <http://undocs.org/en/SSC/19/3>

nal Affairs, Ministry of Economy and Sustainable Development, Ministry of Labour, Health and Social Affairs, Ministry of Finance, LEPL National Agency of Public Registry, LEPL Public Service Development Agency, LEPL Revenue Service, Innovation and Technology Agency. Substantial contribution and insight recommendations in terms of potential areas for the cooperation and pursuing its effective development have been received during the meetings with UNCT in Georgia and development partners (EU and USAID).

Not pretending to be comprehensive in terms of reflecting all existing opportunities and capacities for engaging into the South-South and triangular cooperation due to the scope of the stocktaking limited to selected stakeholders, the report highlights the bright examples of successful solutions in overcoming development problems in Georgia that other countries can benefit through the means of South-South cooperation.



Hundreds of guests attended various events in front of the Parliament, while the Gori Women's Choir performed festive songs as the main New Year's tree was lit up. Photo by Nino Alavidze / [Agenda.ge](http://agenda.ge).

Source: <http://agenda.ge/photogallery/379/eng>



PART 2. OVERVIEW OF POTENTIAL FOR SOUTH-SOUTH AND TRIANGULAR COOPERATION IN GEORGIA

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International cooperation frameworks as opportunities for SSC

Being an active player in international cooperation processes, Georgia pursues international cooperation in line with its foreign policy and national development priorities reflected and elaborated in the Economic and Social Development Plan “Georgia 2020”, the Government Platform 2016-2020 “Freedom, Rapid Development, Prosperity”², National Human Rights Strategy and Action Plan (NHR SAP), emerging agenda of post-2015 Sustainable Development Goals. Georgia is a member of the United Nations, the Council of Europe, the Organisation for Security and Co-operation in Europe (OSCE), Organization of the Black Sea Economic Cooperation (BSEC), the GUAM Organization for Democracy and Economic Development, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and the Asian Development Bank (ADB). Membership and participation in various international and regional organizations and initiatives provide an avenue for discussions on political, trade, economic development, investments and other issues with other countries and offers initial frameworks for engaging into more active bi- and multilateral SSC.

The EU-Georgia relations have been developing for decades. The new impetus was provided by signing (June 2014) and entering into force the EU-Georgia Associ-

ation Agreement (AA) in July 2016, which puts the basis for political association and economic integration between the EU and Georgia. The AA’s Deep and Comprehensive Free Trade Area and visa free travel to the Schengen area for Georgian Citizens (from March 2017) contribute to expanding opportunities for cooperation. For instance, the EU Eastern Partnership, where Georgia is a member, provides support through the European Neighborhood Instrument to the countries in transition and facilitates dialogue and cooperation among them. The Eastern Partnership countries can also benefit from the Eastern Partnership (EaP) Technical Assistance Trust Fund supported by the European Investment Bank. The EaP platforms framework creates a ground for the development of regional cooperation in various areas, defined as key priorities and including economic development and market opportunities; strengthening institutions and good governance; connectivity, energy efficiency, environment and climate change; and mobility and people-to-people contacts.

During the consultative meeting the EU representative has expressed the interest to support Georgia within the existing frameworks and in introducing the SSC dimension into existing initiatives. FAO confirms that the same approach can also be applied to the Agriculture and Rural Development Panel under the EaP Platform 2 – “Economic Integration and Convergence with EU Policies”.

² See http://gov.ge/files/41_61087_816118_GoG_Platform_LKF_19_05_2017.pdf

The UN support to Georgia is framed with the United Nations Partnership for Sustainable Development (UNPSD) 2016-2020 document, which is fully aligned with the national and global human rights commitments and development platforms, post 2014 action plan for ICPD³ and Beijing Platforms. The UNPSD encourages coordinated response of the UN family and other international development partners to maximize effectiveness of the programme and operational support to the country. The five focus areas identified by the Government of Georgia and UN Country Team for the 2016-2020 partnership framework include: 1. Democratic Governance 2. Jobs, Livelihood and Social Protection 3. Education 4. Health, and 5. Human Security and Community Resilience. The UNPSD recognizes insufficient financial resources as a potential risk, especially in the context of a middle-income country and gradual withdrawal of major donors (such as the Global Fund). In response to this risk, the UN is being actively engaged in advocacy and dialogue with donor community and while the extensive measures are planned towards attaining the priorities there is a space for SSC to contribute into the process.

According to the survey responses, UN agencies support implementation of projects in development sectors with strong SSC component reflected in promoting knowledge sharing between Georgia and other developing countries. Being mostly triangularized through technical and financial support from UN agencies and bilateral donors, those projects are aimed at

strengthening institutional capacities of the participating target countries, particularly in health (WHO), agriculture, open governance (UNDP), migration issues (IOM), integrated border management (UNDP) and other sectors. Among the main challenges to promoting SSC and TC in Georgia, the lack of sufficient institutional arrangements and financial resources, which could establish a base for systemic advancing this cooperation, were mentioned by representatives of some UN agencies. Realizing that SSC modalities in Europe and the CIS region may differ from those evolved in other regions, the UN agencies recognize the need for extra-efforts in identifying the opportunities where countries in the region can benefit from providing or receiving expertise.⁴ The UNCT during the consultative meeting has confirmed their commitment to support more active engagement of Georgia into South-South cooperation. Recommendations voiced both during the consultative meeting and in survey responses include more proactive role of UNCT in engaging the countries in SSC and TC, more flexibility in seeking collaboration modalities.

With the focus on Euro-Atlantic integration the Georgian cooperation efforts with emerging economies are mostly concentrated on neighboring Eastern European countries: Armenia, Azerbaijan, Ukraine, Moldova. At that, close and deepening economic and political cooperation is widely observed with other countries, both neighbors and beyond. The cooperation is built on bi-lateral sectoral agreements and multilateral frameworks and platforms pro-

³ 20-year Programme of Action of the International Conference on Population and Development (ICPD) articulated, United Nations. 2014.

⁴ Survey response by FAO.

vided by membership in regional and global international organizations.

In October 2016, Georgia became the 11th member of the Central Asia Regional Economic Cooperation (CAREC) Program. The CAREC members comprise Afghanistan, Azerbaijan, the People's Republic of China (PRC), Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. Through the ADB-supported CAREC Institute, based in Urumqi, PRC, the program is undertaking capacity building and knowledge work for regional cooperation, which is based on the knowledge sharing and learning from the peers.

Georgia puts a special emphasis on the development of cooperation with Azerbaijan and Turkey. In an effort to balance regional interests, in 1997, Azerbaijan and Georgia became two of the four founding members of the GUAM Organization for Democracy and Economic Development. Countries broadly cooperate in regional energy development, transportation and economic partnership projects such as Baku-Tbilisi-Ceyhan pipeline, Kars-Tbilisi-Baku railway, the TRACECA, and the BSEC. Kazakhstan is also among active partners of Georgia: the two countries pursue bilateral and multilateral cooperation efforts in many areas, including in the field of energy and transport (the Trans-Caspian gas pipeline, the Baku-Tbilisi-Ceyhan pipeline project), communication, finances, agriculture, tourism and culture. Georgia cooperates with Kazakhstan in the framework of the successfully functioning TRACECA transport corridor and the new Baku-Tbilisi-Kars railway.

At that there are an untapped potential

to expand the cooperation based on the knowledge exchange and technical support and deepen relations with other countries of the world through positioning Georgia as a hub for relevant solutions and expertise and promoting mutually beneficial cooperation.

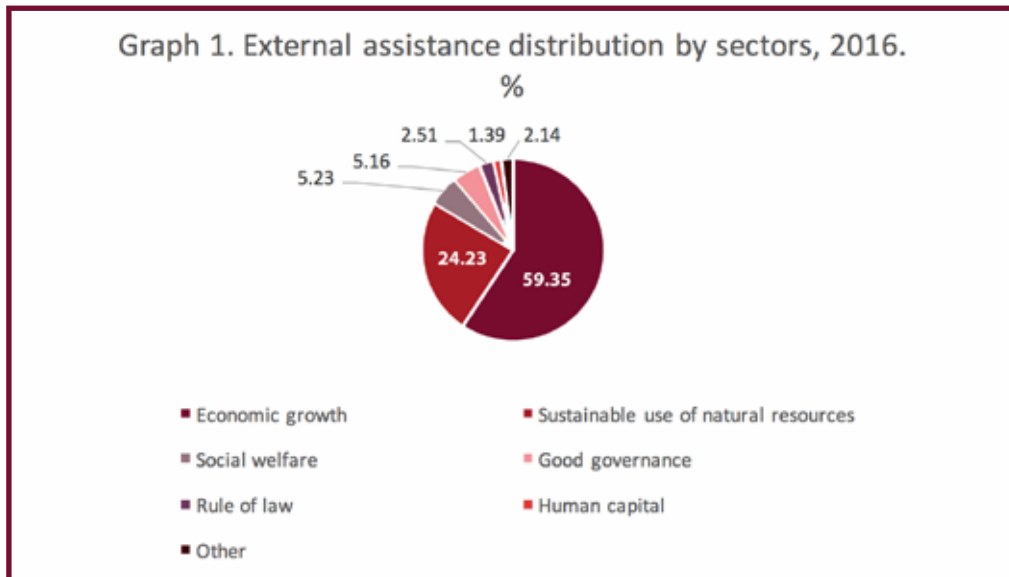
Institutional frameworks enabling SSC

Georgia established comprehensive mechanism for coordination of development cooperation which can serve as a basis for integrating new functions for coordinating SSC and TC cooperation to support systemic approach towards engaging in SSC activities and advancing and promoting national expertise as a form development cooperation. During the years of experience as aid recipient the Government of Georgia has assumed full ownership of its external aid coordination for strengthening mutual accountability with donors and aligning the development assistance with the national priorities.

As per the Rule for External Aid Coordination in Georgia (2015), the authority for coordination of foreign assistance flows for development is provided to the Administration of the Government of Georgia, in particular, through its Policy Analysis, Strategic Planning and Coordination Department. This centralized model of coordination of development assistance aims, at its essence, to insure effective distribution of aid in line with top priorities of national development. When coordinating the assistance flows, the Department builds its work on the information on financial needs received from the respective ministries and State Ministers' Office based on sector policies.

The key donors' coordination mechanisms include Annual Development Partnership Forum, covering representatives of ministries, State Ministers' Office and donors; Thematic Coordination Groups, working within the Administration of the Government to communicate with donors and covering Public Governance (Public Administration), Rule of Law and Justice, Economic Growth, Human Capital Development, Social Welfare, and Sustainable Use of National Resources. Another part of aid coordination system in Georgia is the Electronic Aid Information Management System eAIMS that is being updated regularly by the ministries implementing the development projects.

eAIMS is an information collection, analysis and reporting tool aimed at improving transparency, accountability and effectiveness of international aid flows (development assistance) to Georgia. The information is provided by OECD-DAC donors, multilateral agencies and non-DAC members, the latter can be assessed as support received from the Southern developing countries. As per the report on external aid in Georgia (2016), the share of bilateral aid is 13% of total financing for development, while multilateral assistance composes 87%. The total volume of on-going development assistance is US\$ 5.3 billion.



The six thematic areas absorb the development cooperation as shown in the Graph 1. Line ministries and public agencies (LEPLs) are enabled, in most cases, to independently establish and operationalize cooperation activities with the partners in foreign countries. Two-way knowledge and expertise transfer is common enough and is based

on the close working relations established with foreign partners. While not being documented or attributed to SSC, these cooperation activities are regularly reported to and consolidated by the Ministry of Foreign Affairs and the Administration of the Government for coordination and statistical purposes.

Examples of development cooperation mechanisms with SSC components

International financial institutions provide multimillion loans and invest in support of infrastructural projects. EBRD, EIB, ADB, World Bank and the European Union remain the largest providers of multilateral assistance with over 83% of total development assistance through financing investment projects and issuing soft loans to Georgia. The organizations and initiatives have established technical and funding facilities to support cooperation for development in their member countries. These opportunities are already serving and can potentially serve for SSC and TC.

The EU's ongoing development assistance to Georgia amounted \$513,7 million in 2016.⁵ The frameworks of cooperation with the EU are mostly formulated and maintained within the European Neighbourhood Policy (ENP). ENP extends to North Africa and Eastern Europe (Moldova, Ukraine, Georgia, Armenia, Azerbaijan and Belarus, countries which compose Eastern Partnership). The cooperation of Georgia supported by the EU Eastern Partnership Territorial cooperation program with neighboring countries in transition is frequently featured with knowledge and experience sharing component where Georgia shares own expertise or benefits from the knowledge of its partner countries. Each territorial cooperation programme focuses on the following priorities, assuming that the target countries will jointly address shared problems:

- Improving the living conditions of local communities in the target cross-border regions through joint economic and social development projects;
- Addressing common challenges, such as environment, employment, public health and any other field of common interest;
- Supporting local cross-border "people-to-people" actions in the areas of sports, education and cultural exchange.

Cooperation under the EaP includes many initiatives covering energy (EU4Energy, which replaced INOGATE - regional energy cooperation with CIS and other countries in Central Asia, Caucasus and Eastern Europe), private sector and business development (EU4Business), twinning projects based on establishing direct cooperation between the country providing knowledge and the country which benefit from it. Under thematic cooperation, more than 50 projects amounting to more than EUR 14 million have been funded in Georgia over the past four years, mainly benefitting local civil society. While, the EU offers financial assistance to the countries, so long as they meet the strict conditions of government reform, economic reform and other issues surrounding positive transformation, there are projects and initiatives with strong SSC components supported by the EU:

- The bilateral ones which use South-South (East-East) experience, like using Georgian expertise in launching the Justice Reform in Moldova, or Georgian expertise in law enforcement structures in Ukraine;

⁵ External Aid in Georgia. Annual Report 2016. http://gov.ge/files/62365_62365_598584_anualReport.pdf

- Regional projects: besides cooperation in energy sector (EU4ENERGY), they include TRACECA for regional transport cooperation with CIS and other countries in Central Asia, Caucasus and Eastern Europe; transboundary rivers, air, waste regional environment projects and cooperation, regional border management, customs support programs; cross border cooperation at regional level, like Black Sea Cross border cooperation where Georgia participates along with EU Member States, Ukraine and Moldova; Danube cooperation involving Moldova and Ukraine from Eastern Partners among the EU Member States programmes and projects; territorial cooperation between Georgia-Azerbaijan, Georgia Armenia, Ukraine-Belarus, Ukraine-Moldova;
- Promoting interregional cooperation, EU supports exchange of experience via bilateral projects using programmes like TAIEX, SIGMA and TWINNING, as well as through blending big infrastructure projects through its Neighbourhood Investment Facility.

Providing the frameworks for the interaction and cross -partnerships, the EU facilitates cooperation at global level as well on such topics as Health (HIV), Human Rights, Local Actors in Governance, etc.

Knowledge obtained by Georgian experts through participation in various EU-funded capacity building events (twinning, etc.) can be further shared, now by Georgian experts, with other countries. This knowledge adjusted to local context will be more relevant to the developing countries. There are also ongoing experiences in knowledge exchange between Georgia and Armenia

under the ongoing FAO ENPARD (European Neighborhood Programme for Agriculture and Rural Development), in complement to the regional dialogue between and among the EU and EaP countries under the EU Platform for Agriculture and Rural Development. As per the view expressed by the representative of the EU during the consultative meeting, there is a potential for future exchanges, transmitting successful experience of Georgia ENPARD to other countries, like the ones in Central Asia.

In bilateral development cooperation, while, the largest partners (2016) by volume were Germany, the USA and Sweden with over 70% of total bilateral aid, Georgia is a priority partner for many European neighboring and other countries, the bilateral development cooperation support of which is based on Country Development Assistance Programs and, in some cases, the Joint Declarations on Development Cooperation by the Ministers of Foreign Affairs of the partner countries and Georgia. The new European Union countries are among the most active European providers of development cooperation. The most common funding mechanisms are grants, technical assistance and co-funding of projects. The bi-lateral development cooperation reported as an aid from the Eastern European countries (Bulgaria, Czech Republic, Estonia, Lithuania, Poland and Slovak Republic), which have recently overcome similar problems of transition and reforms, can also be considered as horizontal, based on South-South cooperation principles and mechanisms, being 100% demand-driven and implemented in the form of expertise transfer. The non-DAC China provides over US\$18 million, thus representing the main portion of South-South development cooperation documented.

Georgia in South-South cooperation

The achievements of Georgia in various sectors represent a unique experience demanded on the side of other countries facing similar problems. Many countries delegate their experts to learn from Georgia the successful experiences and processes that contributed to the establishment of strong institutional and economic frameworks. The areas of interest include public administration reforms, creation of favorable environment for business and innovations, fight against corruption as a cross-cutting area, taxes and customs, cross-border trade, border management, energy and tourism, and other sectors.

Political will and readiness of the country to share its development experience and contribute to the global development have been reflected in such dimension as promoting the SDG 16+ globally. Georgia is among the few countries which implemented and submitted the first voluntary national review on implementation of the Sustainable Development Goals. Strong political will towards positioning of Georgia as a regional hub of relevant knowledge and expertise enforces efforts on actively marketing local expertise through various international conferences and platforms. At that, the more systemic approach through the South-South cooperation tools and mechanisms and its coordination at national level would contribute into expanding the opportunities for establishing South-South cooperation partnerships.

As a Southern knowledge provider, Georgia participates in various regional initiatives, mostly under the umbrella of projects supported by international players, such as the EU. Its role of provider of the

Georgia's 38th rank in the 2017-2018 Rule of Law Index of the World Justice Project puts it ahead of several old and new EU members and accounts for the best result in its region. According to Corruption Perception Index 2017 Georgia is on 46th position (score - 56) out of 180 countries. In terms of inclusiveness of its economic institutions, Georgia has significantly improved its ranking in the World Bank's Ease of Doing Business Index.. According to the Doing Business 2018 report, Georgia ranks 9th among the 190 economies globally. It is the 2nd in protecting of minority investors, 4th in registering property, the 4th in starting a business and the 8th in enforcing contracts. Georgia also won the 2012 United Nations Public Service Award, 2nd place, in the category of "Improving the Delivery of Public Services".

knowledge in public reforms, social reforms, increasing the effectiveness and transparency of public administration is, often, complemented by the two-way learning. For instance, experience sharing in successful administrative reforms with Belarus, Moldova and Ukraine, supported by the Czech funding, focused on strengthening the capacity of public administration in delivering efficient, effective, transparent and accountable services to citizens in Eastern Partnership countries.

The public agencies in Georgia accumulated development expertise and joined open-minded and highly qualified staff with clear understanding of processes

and measures which led to improvements in different sectors. They are ready to respond to the demand from other countries and have already been providing their expertise, mostly on ad-hoc basis. In some public centers of expertise (ministries and public agencies) the units responsible for international cooperation work on documenting successful solutions, trying to make them ready to use and be scaled-up as well as transferrable to other countries. However, the lack of systematic approach is reflected in the absence of centralized 'repository' of documented solutions and expertise available as well as funding and staff allocated for promoting local expertise.

Innovations in governance and reforms in several areas undertaken in Georgia have been highly recognized in the region and worldwide, as addressing the challenges of achieving a better balance between growth and social justice. Implemented policies succeeded in reducing the administrative burden and improving the investment climate, boosting incomes and productivity, introducing universal health coverage, improving protection offered by the labour laws, strengthening tobacco-control, addressing particularly debil-

itating epidemics, such as the Hepatitis C, and improving maternal and infant healthcare. As the Government continues its efforts towards attaining sustainable economic growth and strengthening democracy, the importance is attached to the cooperation with transition economies, as well as the countries with recent transformation experience related to the EU accession through knowledge sharing and expertise exchange, so as to benefit from the low cost, adaptable and relevant solutions.

Enriching the pool of available instruments with the opportunities provided by South-South cooperation can contribute into attaining development priorities of Georgia defined in the national strategic documents.

In 2015, Georgia, in response to the invitation from UNOSSC and UNDP, has assigned the national focal point for South-South cooperation within the Ministry of Foreign Affairs and contributed to the development of the regional report on the state and value-added of South-South and Triangular Cooperation in sustainable human development in the Europe and CIS regions.

Georgia's efforts in promoting SGD16 at international level

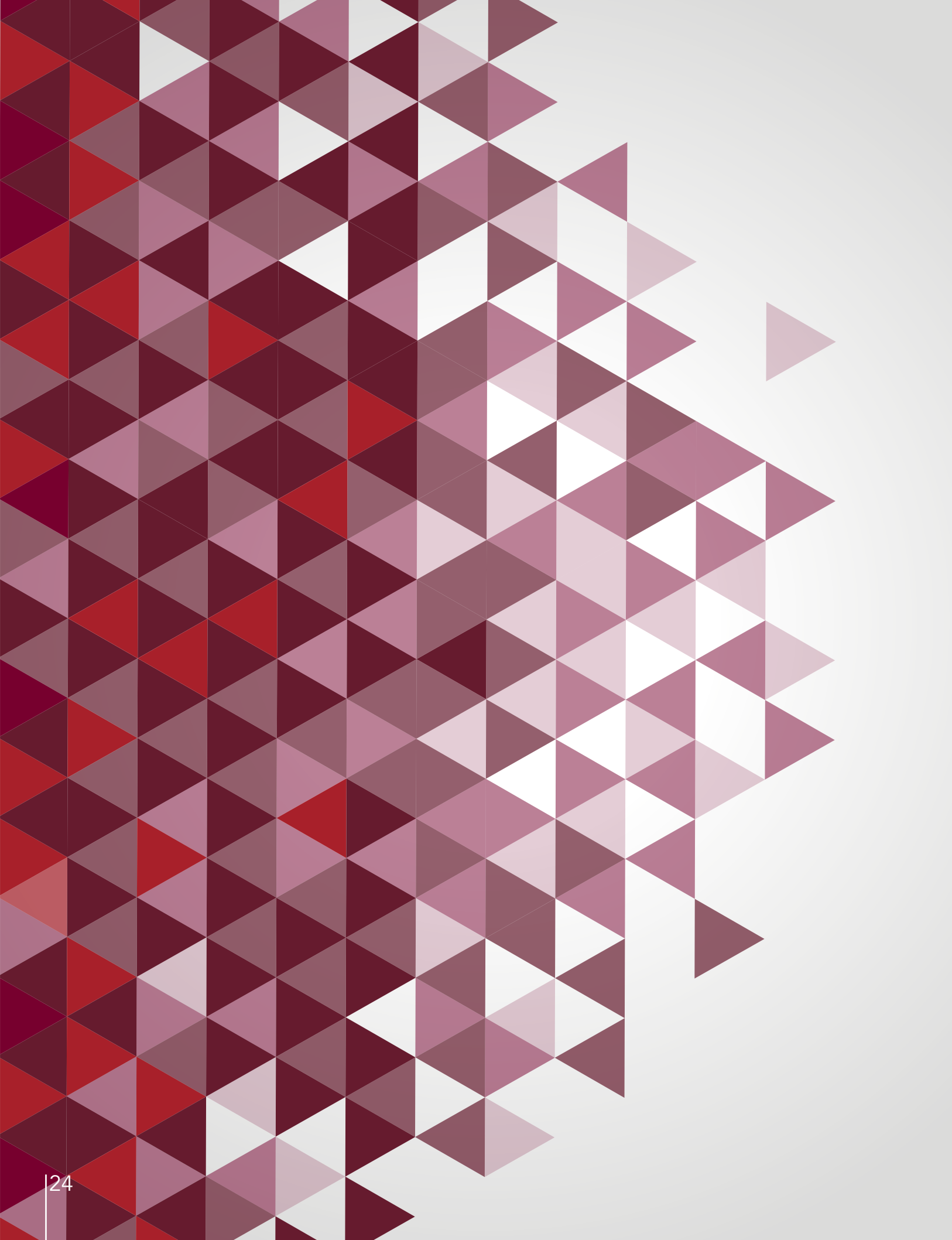
Georgia is committed to implementing the comprehensive SDG agenda. To this end, the Government has prioritized and nationalized SDGs taking into account the country's development context. Moreover, considering vast experience in ensuring effective, accountable and inclusive institutions at all levels, Georgia strives to promote the implementation of SDG16 at international level and has launched concrete initiatives in this regard. UN agencies, including UNDP, United Nations Children's Fund (UNICEF) and other agencies, funds and programmes provide comprehensive support to the Georgian government in achieving the above.

UNICEF as other UN agencies supported the Government of Georgia in developing the national SDGs indicators framework and currently is assisting the Government in implementation of multiple indicator cluster survey (MICS) that will provide about 48 per cent of all SDGs indicators at household level.

In 2016, on the margins of the 71st UN GA Session, Georgia together with Estonia, the Republic of Korea and UNDP, convened a High Level Side Event on "Effective, accountable and inclusive institutions for the implementation of Agenda the 2030 for Sustainable Development: E-governance, Transparency and Public Services". The side event was aiming at featuring and showcasing good practices and achievements made by Governments in the areas of reforming public administration, including through the implementation of e-governance and efficient public service delivery, as well as highlighting the positive results of effective and coherent work between national Governments and the United Nations system.

On 27 April 2017, Permanent Mission of Georgia to the UN organized a Workshop on "Corruption-free Institutions for the implementation of the 2030 Agenda for Sustainable Development". The meeting was co-organized by the Permanent Missions of Costa Rica, Denmark, Qatar, Sierra Leone and Singapore to the United Nations in cooperation with the UNDP and the UNODC. Participants discussed possible ways of contributing to the implementation of targets 16.5 (substantially reduce corruption and bribery in all their forms) and 16.6 (Develop effective, accountable and transparent institutions at all levels) of SDG 16.

On 31 October – 1 November 2017, Georgia hosted 16+ Forum Annual Showcase "From Words to Action: Implementing SDG 16+ at the local and national level." The event, supported by UNDP along with other international actors, focused on the experience of Georgia, the current OGP chair country, highlighting how the sustainable development agenda comes together with Open Government priorities. Forum participants also visited the Ministry of Justice of Georgia, Public Service Hall and customs clearance zone, and met with representatives of the Georgian media and civil society.



Actors involved in the historical scene with the backdrop of decorations featuring iconic 19th century Tbilisi balconies. Photo by Nino Alavidze/Agenda.ge.

Source: <http://agenda.ge/photogallery/358/eng>



PART 3. GOOD PRACTICES FOR SOUTH-SOUTH COOPERATION

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Nationalization of SDGs

The approach to and process of nationalization of SDGs is a valuable experience and serves as a good example for replication in other countries.

Striving to contribute to sustainable development the main goals of which were articulated in the 2030 Agenda, Georgia was among the first countries which adjusted the SDGs agenda and its targets to the national context and advanced their implementation. Administration of Government of Georgia (AoG) established joint technical working group composed of experts from different line ministries and National Statistics Office to discuss the process of nationalization. The Department of Policy Analysis, Strategic Planning and Coordination and its Planning and Innovations Unit were enabled for coordinating the adjustment of SDGs. Based on the national policy review, the order of implementation, goals and targets were linked to the national priorities set in the country's strategic documents. In 2015, Georgia prioritized set of 14 goals out of the total 17, and nationalized 88 targets, with the selection of SDGs based on existing strategic documents and directions (Social and Economic Development Strategy "Georgia 2020", National Strategy for the Protection of Human Rights in Georgia; EU-Georgia Association Agenda; 4 point reform plan of the Government of Georgia: Economic reform; Education reform; Spatial development: Regional and Infrastructural Development; Governance reform; Healthcare, Energy, Environment; IDP & Refugees). Currently, Georgia has nationalized all 17 goals, 99 targets and more than 200 indicators.

The SDGs have been integrated in strategic umbrella document - Annual Governmental Work Plan (AGWP), as well as other national, multi-sectorial strategies and action plans. Accordingly, responsible government authorities have been defined for each of the targets. Economic growth and social needs including education, health, social protection, and job opportunities, climate change and environmental protection, inequality, energy and consumption are being targeted by the nationalized SDGs. Furthermore, the complementary indicators and projections are being defined in consultations with civil society and academia.

In 2017, the inter-governmental SDG Council was officially established/institutionalized with four Working Groups (WG) on Social Inclusion, Economic Development, Democratic Governance, Sustainable Energy & Environment Protection. SDG Council is mandated to monitor and coordinate the implementation process in accordance with Georgia's existing national action plans. It is chaired by the Head of Administration of Georgia (AoG), and comprised of deputy ministers and heads of department. UNRC acts as a co-chair of the Council and all relevant UN agencies participate in the process. The Council aims to work in cooperation with CSOs, Academia and the private sector. It also attempts at pro-



viding strategic guidance to relevant governmental bodies and facilitating mechanisms for the realization of SDGs.

Together with other processes, such as the implementation of the Association Agreement with the European Union, the process of SDGs' adjusting allowed learning gaps in some line ministries related to their capacity to work on the policy planning level. Another significant challenge was the lack of sector-disaggregated data in many areas, which impedes development of the effective indicators and means of verification. Support and expertise provided by the UN Country Team in Georgia have helped to bridge the gaps and establish the needed capacities. The UNCT has held a series of consultations with the AoG and all line ministries to provide feedback on the nationalization process, including specific targets and indicators. The Government recognizes this collaboration as a good practice, worthy of replication.

The National Statistics Office basing on the disaggregated statistical data has identified 120 indicators as a baseline data. Government of Georgia runs an awareness raising campaign from 2015 to assist the landing of SDGs amongst the local actors. The campaign is being implemented together with the CSOs: Institute for Freedom of Information (IDFI) and Civil Development Agency (CIDA), which is one of the co-creation components initiated with non-governmental bodies in the process of implementing the SDGs in Georgia.

Capacity development of the SDG Council working groups in data collection, particularly elaborating scorecards and metadata for all SDG indicators, has been launched. This will enable WGs to improve disaggregated data-collection measures necessary to fulfill the

mandate of the 2030 Agenda. The Electronic Management System (EMS), designed with the support of UNDP in partnership with the local NGO “Institute for Development of Freedom of Information” (IDFI), will aid the AoG in coordinating and monitoring SDG implementation and will enhance intergovernmental coordination in the process. The EMS business analysis process is complete and the pilot version of the software will be available in July 2018.

Since middle 2017, FAO is supporting the Ministry of Agriculture in its efforts for SDG nationalization through enhancing awareness and capacities on SDGs implementation and monitoring.

Public finance

The variety of taxes, complexity of accounting, and frequent amendments to the Tax Code introduced between 1997 and 2003, made extremely difficult for businesses to follow the tax regulations. Granting favorable tax treatment to favored companies created fertile ground for corruption. In 2003, tax revenues officially represented just 14 percent of GDP.⁶

⁶ Fighting Corruption in Public Services. Chronicling Georgia’s Reforms. The World Bank. 2012.

New laws were adopted to reinforce the zero-tolerance policy with regards to corruption. These laws simplified procedures for arresting officials suspected of corruption and allowed for confiscation of their property if they could not prove they acquired it legally.

Tax amnesty legislation adopted in 2004 allowed all taxpayers except government officials to declare all unreported assets before the end of 2005. Declared property could be legalized after the owners paid 1 percent of its cost to the budget. These measures helped to fill the budget. Target volumes of collections were set and carefully monitored. As revenues increased, salaries of staff in the tax authorities were raised substantially, further decreasing incentives for bribe. Gradually, over a two-year period, new, better-educated, and less corruption-prone staff were recruited in the public agencies.

Furthermore, Georgia has taken over the “co-chairship” (with the International School of Transparency) of the Open Government Partnership (OGP) from France in September 2017 up to September 2018. The priority areas: 1. Citizen-centred governance, 2. Advancing transparency and the fight against corruption, and 3. Innovation in the public service delivery. As the Government of Georgia prepares to hold a global OGP summit on 17-19 July 2018, UNDP is providing support to the Summit as an opportunity to further share Georgia’s experience across the globe.

Comprehensive structural reform program during the mid-2000s have been implemented through fiscal reforms related to tax policy and administration, customs, and trade policy, business-enabling reforms of the regulatory environment and those tackling corruption. The implementation challenges and positive results are the key components of the successful practice that can be shared with other countries.

The Ministry of Finance of Georgia is engaged into implementation of the reforms in financial sector within the general strategy of economic reforms adopted by the Government. The reform agenda was elaborated to create enabling conditions for business development and tax system oriented to the economic growth. The main components of the reform agenda include:

- *Profit Tax Reform, which sets the rules where undistributed profit is not taxed. As a result, increased financial opportunities for investment will stimulate establishing new and developing existing businesses. Profit tax reform will save over GEL 2 billion for the business to be used for new investments and creation of the employment opportunities.*
- *Accounting, reporting and auditing reform aimed at establishing the disclosure system and credible financial and non-financial information flows from business to promote optimization of loan, investment and other decisions. Improved quality of corporate management, accounting discipline and reporting will be followed by the development of capital and financial markets and improvement of investment climate;*
- *Amendments entered in the Tax Code (amendments focused on business) consider decriminalization of the particular type of economic crime. The Tax Code includes a package of amendments aimed at strengthening the private sector for facilitation of tourism, construction sector, stimulation of alternative energy, promotion of healthy lifestyle and reduction of tobacco consumption;*
- *Debt management strategy development. The strategy determines the approach of government to the debt management in the medium run. In particular, document responds to the question such as which currency should have the priority when taking the loan, how to be the debt portfolio composition etc. The main task of the new strategy is to reduce the public debt dependence on foreign fluctuations;*
- *State budget and treasury reform: starting from 2015, budgets of autonomy republics, municipalities, LEPLs have been incorporated into an integrated accounting system of the public finance management and coming into the service of treasury. The reform allowed to establish effective system of public finance management.*

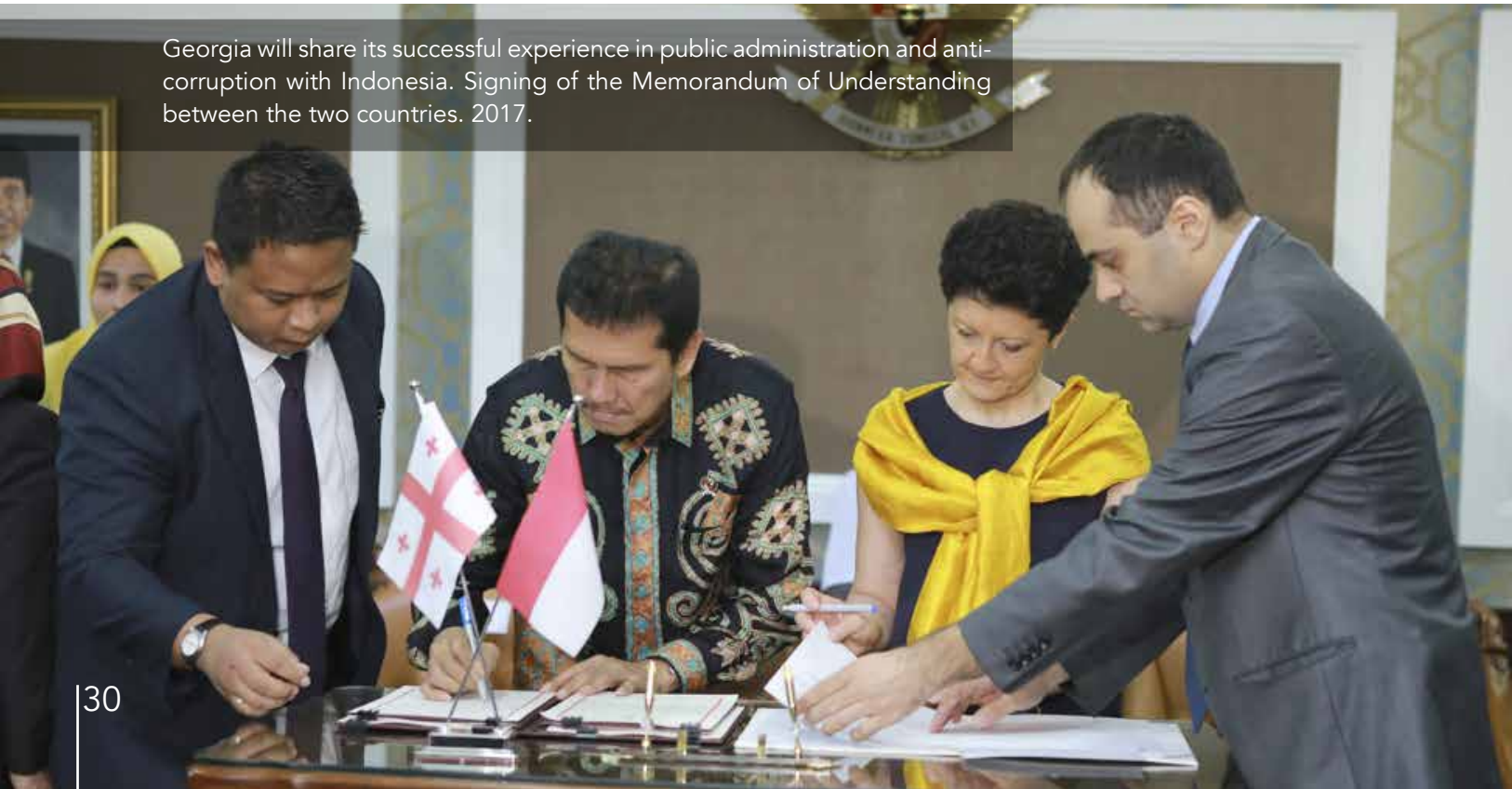
The new tax code passed in 2005 aimed to stimulate economic growth, improve the efficiency of the tax system, and broaden the tax base, and also had an anticorruption element. As part of the reforms, the Georgian authorities reduced the number of taxes from twenty-one to six, cut tax rates, improved tax administration, and introduced e-filing and e-procedures. The taxation shifted from progressive rates to flat ones and finally, the combined personal income and social tax composed 20 percent, a corporate profit tax was established at a rate of 15 percent, and a VAT of 18 percent. Remaining taxes included taxes on profits and property; excise taxes on alcohol, petroleum products, tobacco, and cars; and customs duty.⁷ Despite lower tax rates the revenues increased through the expanded tax base due to introducing uniform and equal treatment for businesses and removing most taxpayer exemptions, ensuring better compliance, and stricter enforcement. As a result, the tax system became more resistant to corruption, tax avoidance and the size of the informal economy declined significantly, and tax revenues more than doubled, reaching 25% of GDP. Reform of taxation increased tax revenue, reduced the tax and corruption burden on citizens and served as incentive for business. As in other sectors, the key to success was a stronger accountability framework. Similarly, the government simplified customs procedures and optimized the system of import duties, which is now one of the most liberal in the world.

Fight against corruption

The effective governance and public service delivery increase confidence of citizens in political system and result in improved opportunities for economic and social development. In 2003, Georgia was one of the most corrupt countries in the world, coming 124th out

⁷ Ibid.

Georgia will share its successful experience in public administration and anti-corruption with Indonesia. Signing of the Memorandum of Understanding between the two countries. 2017.



of 133 of Transparency International's corruption perception index. Due to the successful anticorruption reforms, by 2017 Georgia ranked 46th out of 168 countries in the corruption index. The comprehensive reform allowed improving transparency and integrity in a whole range of specific public services, including among others traffic police, tax, customs, high education, civil and ownership registry, and municipal services.

Many of the successful practices and expertise accumulated in Georgia, as well as experience in designing and implementing of the innovative solutions in fighting corruption could be extremely helpful in addressing the similar challenges encountered by developing countries, as administrative corruption imposes burden on citizens' and firms' time and resources, creates dissatisfaction with public services, undermines trust in public institutions and affects business growth and investment.

Traffic police reform

Since the dissolution of the Soviet Union, Georgia had been known for its levels of corruption, especially in its police force. In 2004, the Government with the help of the international community began a process of reform and forming police forces through replacing existing staff with new recruiters. Overnight, 16,000 traffic police were fired and replaced a few months later with 2,300 new road patrollers. Staffing of all law enforcement agencies was reduced from about 63,000 in 2003 to 27,000 in 2011. Before the reforms, Georgia had 1 police officer for every 21 citizens; then the ratio has fallen to 1 police officer for every 89 citizens. Police also now operates closer to the communities they serve.⁸

⁸ Ibid.

Awarding Masters at the LEPL Academy of the Ministry of Internal Affairs of Georgia, Tbilisi, Georgia, 2016.
Source: <http://www.policeacademy.gov.ge/en/about-the-academy/photos/gallery>



To continue reforms of public sector, the Government of Georgia initiated Public Administration Reform (PAR) Roadmap with the support of EU and OECD/SIGMA. PAR is a horizontal and cross-sectorial policy, and its implementation depends on the involvement of public administration, decision makers and high-level officials. Based on its achievements in the OGP Georgia is a Co-chair of the Open Government Partnership from October 2017 to October 2018, an international platform for domestic reformers committed to making their governments more open, accountable, and responsive to citizens.

The special measures were taken to ensure the new police staff follow the rules and ethical standards. Video cameras on the streets, the 24-hour hotline allowed citizens to avoid abuse and complain about police or report being asked for bribes. The streamlined or eliminated unnecessary processes resulted in elimination of corruption at the ministry level.

The government recruited many new officers from universities and graduate law programs and required them to pass an exam. Recruits underwent learned basic policing work, protocol, and public communication. The professional development of the patrol police is conducted by the new police academy (LEPL Academy) of the Ministry of Internal Affairs of Georgia that offers both the two-month course for new recruits and ongoing in-service training. The salaries were increased ten-fold. Within a couple of years the reformed police force became one of the most well-regarded institutions in the country. Elimination of corruption in the patrol police has restored its credibility and transformed into a citizen-friendly service.

Fighting corruption in customs and border management

The multiplicity of customs rates and complexity of calculation of the rates along with weak enforcement system resulted in corruption and very low public revenues coming from customs. In order to address these challenges, the Government initiated comprehensive customs reform, covering legislation, staff, institutions, systems, and infrastructure.

As a first step, the new customs law was developed and introduced in 2006 eliminating 16 customs categories and introducing zero rate for prevailing import goods, except limited number of goods (with 5 and 12 per cent of customs rates). Import and export licensing was simplified and limited to protecting environment, health and national security. In 2010, within the tax reforms, the single Revenue Service for operating common identification system for tax and customs and data sharing was established. The number of documents required for customs clearance were reduced to a minimum and the time for passing control and customs checks was optimized. New people trained at the extensive courses were brought to the customs and their salary increased twenty-fold.

Innovative risk-management system, based on the access to the electronically chronicled information on the importer allowed reducing customs checks (excluding port activities) to less than 10 percent of all cargo. The automated system classifies importers into risk categories, and the low-risk clients are fast-tracked through customs; the random checks of declarations are also processed with regards to those selected by the system.

Along with reducing the number of services, and consequently, the number of the agencies, the infrastructure at customs checkpoints was renovated that supported zero tolerance to corruption. Moreover, those who were going to bribe customs staff were punished and the strong understanding of the changed environment has been established. The two institutions: Ministry of Internal Affairs, responsible for passport control and the Ministry of Finance, responsible for the customs service, joined the electronic databases and coordinated efforts to ease the border crossing and customs procedures. The one-stop shop principle was implemented in a single window approach, where an importer does not contact the customs staff and there is no opportunity for corruption when processing the importing goods. Customs clearance was brought out of the border with three new customs clearance zones established to streamline the customs clearance process, reduce the number of procedures and processing time, which are also simplified with the introduction of electronic declaration and advanced declaration.

As a result of the reform, the trade was significantly liberalized, the volume of trade and transit, and consequently, customs revenue have increased.⁹

Judiciary and rule of law

The poor perception of the judiciary system and its low credibility were among the key issues affecting sustainable development of the Georgian society in 1990-2000s. Judicial reforms undertaken in Georgia led to significant results in terms of strengthening the rule of law and respect for human rights, efficiency of the judiciary free from political or any other undue interference and restoring the credibility to the judiciary and prosecution systems.

⁹ Ibid.

The judiciary reforms aimed at ensuring independent, impartial and trusted judiciary has resulted in significant achievements, recognized locally and internationally. The judiciary reform was implemented in three steps: depoliticizing judges, increasing their independence (life-time judges) and ensuring transparency and credibility through regulating cases allocation and setting strong criteria for election of judges. The first phase of institutional reforms was completed in 2013 by the adoption of a wide range of legislative amendments welcomed by the Venice Commission.¹⁰ The key judicial institution, the High Council of Justice became more democratic, open and transparent. Representatives of the civil society and academia replaced members of the Parliament sitting in the Council and the TV cameras were allowed in the courtrooms.

The second phase of the judicial reform completed in 2014 resulted in the constitutional amendment introducing the life tenure for judges. Clear and objective criteria for the pre-life appointment appraisal of judges, and transparent and objective procedure of the appraisal, including the right to appeal in the case of the negative appraisal have been provided in the legislation. The third wave of judicial reforms started in 2016 envisioning the set of amendments proposed by the Ministry of Justice, which include guarantees for non-interference with judicial decisions are clearly articulated, a principle of automatic and electronic distribution of cases to exclude any doubts about impartiality while assigning cases to individual judges, etc.

Juvenile Justice Reform

The juvenile justice reform was among the brightest examples of successful implementation of the reform agenda conducted with support of international partners with the EU and UNICEF as key ones, and in line with the EU Association Agenda.

In mid-2000s the increasing number of children entering the criminal justice system and receiving custodial measures and punishments, the lack of community-based programmes offering an alternative to prosecution and custody and the absence of facilities for the physical and psychological recovery and social reintegration of juvenile offenders were raising concern both at the national and international levels.

The Government of Georgia adopted a Juvenile Justice Strategy and Action plan for 2009-2013 that guided reform in the sector. Recently the new national action plan for 2017-2020 was adopted aiming at strengthening the juvenile justice reform in Georgia. The new approach in the country's juvenile penitentiary system, with individualized plans for convicted juveniles, supported rehabilitation and reintegration into mainstream society.

¹⁰ See <http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD%282013%29007-e>

The Ministry of Justice and the Ministry of Corrections have piloted national schemes in six major cities, aimed at diverting children who commit minor offences away from the judicial system with a view that the number of children prosecuted will be reduced by up to 33 per cent. As a result of the reform supported by the European Union, UNICEF, and the Dutch Government, the number of convicted children has declined significantly since 2008 from 1,166 to 500-600 during the past few years. To implement individual approaches to children in conflict with the law twenty trained social workers and five psychologists are now in place both in penitentiary and probation offices across the country. The attention is focused on diverting children away from the justice system and on reaching young people with services and support before they come into contact with the law. Given that the vast majority of convicted children in Georgia have committed property crimes, this programme is an important step towards ensuring that children who make a mistake are not given a sentence that stays on their record for a lifetime. In 2015, the Parliament adopted Georgia's first separate and specialized Juvenile Justice Code, which expands the alternatives to criminal prosecution, such as diversion and mediation, and diversifies the sanctions available to judge to ensure that the detention and imprisonment are used only as the measures of the last resort as derived from the principle of the best interests of the child and other international standards under the UN Convention on the Rights of the Child and relevant international instruments.

UNICEF continues its support to creating of a legal system that meets the international standards and protecting the rights of children in contact with the law.

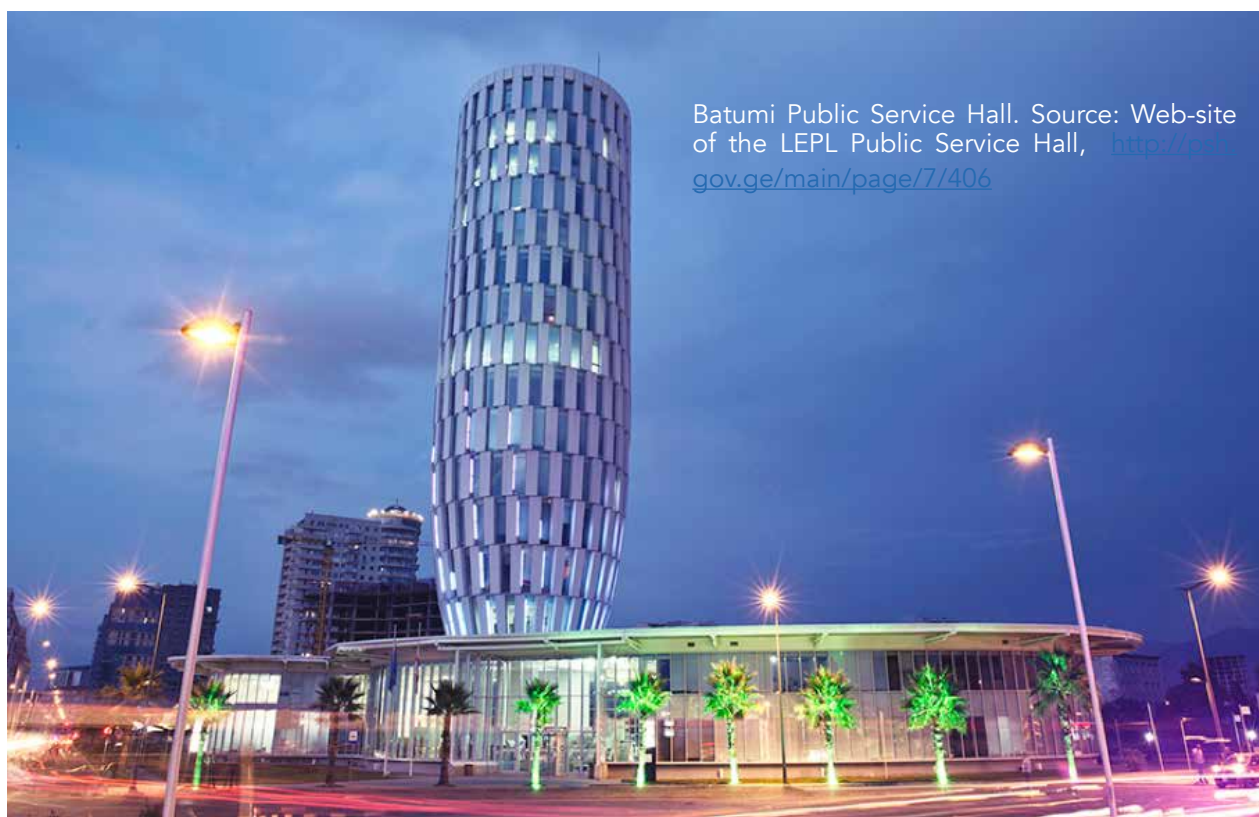
According to the Juvenile Justice Code, juvenile justice procedures will be administered only by professionals specialized in juvenile justice such as investigators, prosecutors and judges, mediators, social workers etc.

It is worth mentioning that the overall success of the reforms in Georgia was, to a large extent, ensured by effective inter-agency coordination established to support effective participatory and consultative processes, with active engagement into this processes the representatives of civil society, academia and private sector. In this regard the role of the Ministry of Justice is substantive in ensuring harmonized and unified governmental policy development and implementation, as it chairs different thematic interagency Councils/Commissions, which were created under the Governmental Decree and operate for the particular purpose.

Public Services Delivery

Public Service Halls

The idea of the Public Service Hall originated due to a demand for simplification of the consumers' services, as the citizens perceived the government institutions and their functioning as a huge bureaucracy depended on the action of different units, coordinated operation of which being gradually complicated. Citizens needed to obtain ID card, passport, birth or marriage certificate, immovable property or business registration should have to visit different units to use the services. Systems for registering anything from a birth certificate to a new business were chaotic and corrupt. Inaccurate information was stored in Soviet-era archives. The new ways for improvement of service delivery were demanded by the rapid rhythm of life. "One-Stop Shop Principle" used to simplify the public services considering to receive documents by one of the units at one operator at one place, has evolved to the concept where a majority of public services are gathered in one space.



Batumi Public Service Hall. Source: Web-site of the LEPL Public Service Hall, <http://psl.gov.ge/main/page/7/406>

Public Service Hall (PSH) had to meet several significant criteria in covering huge number of public services, it had to decrease bureaucracy, provide access to the services in all cities and regions, service had to be fast and comfortable with the waiting time reduced to the minimum. For providing easily accessible public services 19 Public Service Halls (PSH) as well as 52 Community Centers, have been established to operate across the country to promote prompt and sufficient services to the population of Georgia, especially those who are living in rural areas. The PSHs and Community Centers modeled

on organizing public services in one space cater those services attributable to the state's exclusive functions. Operated by the Public Service Development Agency (PSDA), Legal Entity of Public Law under the Ministry of Justice, the PSHs and Community Centers served at least 6.179.919 beneficiaries from 2012 to 2017. The number of beneficiaries is totaled according to some of the most demanded services (including certificate of birth, certificate of death, certificate of marriage, electronic ID cards, biometric passports) delivered.

The PSHs deliver up to 400 services in one space and serve in average 20,000 customers per day, while the Community Centers deliver more than 200 public and private services to the rural areas, adjacent to the conflict-affected areas, those with large ethnic minority settlements and villages, locates remotely from the municipal centers. Minimum timeframe for service delivery – average waiting time is 3-4 minutes, while the service is delivered in 7 minutes. Community Centers serve as a hub for raising public awareness and civic engagement.

The service hall is divided into 3 different areas depending on the services. Long service area is dedicated to birth registration, passport and ID card, marriage registration, property and business registration, archive services, Notary Chamber services (up to 1 hour waiting time); Quick service area provides space for issuance of ready documents, such as passport and ID card, documents certified by Apostile and Legalize, property registration extract, business registration extract, registration decision, other ready documents; and Self-service area allows shooting biometric photos, cash withdrawals from ATMs, receiving extracts, receiving product information, conducting distant payments.

The Community Centres operate in rural areas and serve on average 10,000 customers per month, providing space for over 200 services by the central government, local self-governments, and private companies. The institutions which provide services in the Community Centres are PSDA, National Agency of Public Registry, National Archives, Notary Chamber, Social Services Agency, "Meqanizatori" LTD (equipment for agriculture), Division for Legal Advice, Liberty Bank and "Magticom" LTD (mobile and telecommunications).

Introduction of a new culture, new staff, new technology, and new business processes has streamlined all interfaces between the citizen and the state—from registering a property to obtaining a passport— eliminating many opportunities for corruption. The Consumer Satisfaction Index related to the public service delivery increased from 10% to 92% since the opening of the PSHs. PSH was recognized as the most successful reform in Georgia for 2011 as it has ensured fair, fast and accessible public services, transparent and high class operation. PSHs in Georgia gained the UN Public Service Award 2012 winner in the nomination of Improvement of Public Service Delivery. Core factors toward success are: customer orientation, IT and new infrastructure, simplified procedures, HR system, branding, quality management, accessible services for people in rural areas.



Tbilisi Public Service Hall. Source: Web-site of the LEPL Public Service Hall, <http://psh.gov.ge/main/page/7/406>

The PSDA complements the operation of the PSHs and Community Centres through providing modern and innovative distance services. A customer can apply online and receive needed documents and information by post or SMS, including passport of a person of full legal age, citizenship and residence permit, birth and marriage certificates, checking a place of registration, electronic registry of apostille/legalization, etc. On every updated status regarding the application, a citizen receives SMS notification.

PSHs provide space for delivering services by the LEPL Public Service Development Agency, LEPL National Agency for Civil Registry, LEPL National Archives of Georgia, LEPL National Bureau for Enforcement, Ministry of Education and Science, Ministry of Economy and Sustainable Development of Georgia.

Public Service Hall – a brand new concept of service delivery was originally established in Georgia as the Georgian know-how and has not been copied from the leading countries' experience. Public Service Hall attracts dozens of delegations since its opening. Delegations from 50 countries, both developed and developing, visited the PSHs to learn the concept and the mechanism of implementation and functioning. The experience of Georgia paves the ground for regional and interregional cooperation projects, based on the principles of South-South cooperation. In January 2018, the Organization of Eastern Caribbean States' (OECS) Commission expressed intention to replicate the PSHs model that will contribute to the improvement of public services delivery through ICT and by utilizing inter-island partnerships. The initiative is planned to be designed and developed through securing the services of an expert from Georgia who would work in cooperation with regional Caribbean experts.



Source: Web-site of the LEPL Public Service Hall <http://psh.gov.ge/main/texts/509>

The JUSTcafe is a comfortable cafe located inside Tbilisi and Batumi Public Service Hall. Unique dual function makes it special as customers can receive the necessary services of the Public Service Hall while also enjoying coffee or tasting local cuisine. Café operators receive requests upon required services, deliver professional consultation and provide customers with the issued documents by using modern techniques and systems of service delivery.

E-governance in the Local Governance

The electronic Municipal Management System (MMS) developed by the PSDA is introduced in the local municipalities, which has modernized the local service, optimized business processes, introduced E-document flow within and outside of local government, ensured electronic access to the necessary information for local government bodies and increased transparency in service delivery.

E-Government software “Municipal Management System” enables municipalities staff to create Citizen Request Electronic Applications, provides case management process based on the modern information technology standards, delivers time-consuming and cost-efficient services to citizens, etc.

The E-governance software also enables citizens to check the status of their application online, which makes the system even more transparent and accessible to citizens.

Public Service Innovation Labs

The first time in the region, in 2014 PSDA with the support of UNDP established the innovative service laboratory for public services (ServiceLab). ServiceLab is based on the principles of good governance and the New Public Management (NPM) and develops a customer-oriented and service-minded public services. ServiceLab operates in three different directions:

- Research and mainstreaming innovative practices and methodologies within the PSDA;
- Supporting the policy-making cycle and reform processes in Georgia;
- Promoting Innovative and User-Centric Mindset in Georgian public sector.

ServiceLab was recognized by the OECD Observatory of Public Sector Innovation (OPSI) as one of the public sector innovations in 2017. The ServiceLab serves as an incubator of ideas by researching citizen's needs to analyze the most-needed services and products, generating ideas with potential beneficiaries and developing and testing prototypes.

ServiceLab is the first public sector laboratory in Georgia targeting the development of public services in Georgia and public sector as a whole. Currently, promoting user-centric design, innovative policies, as well as an increased incorporation of citizen feedback in processes related to the design and delivery of new services or the improvement of existing ones is one of the major tasks of the ServiceLab, both within the LEPL Public Service Development Agency, as well as in other government entities. In this regard, ServiceLab acts as a Governmental Think Tank - actively involved in the policy planning and research—ensuring user-centricity throughout the policy-making process.

In January 2017, ServiceLab established the “Public Service Designers’ Network” (PSDN) comprised of five public service delivery agencies. The network aims at empowering civil servants by sharing knowledge and experience on citizen-centric approaches in the field of public service.

Furthermore, PSDA, in cooperation with UNDP and UN Women offices in Georgia and South Africa, is supporting an innovative Behavioral Insight methodology to examine attitudes of bystanders regarding gender-based violence. It is envisaged, that the research findings will inform policy measures and service-design by the Ministry of Justice and other public institutions.

Additionally, ServiceLab works to increase the capacity of the Georgian public servants through promoting innovations culture across the government agencies. It facilitates sharing knowledge on innovative methodologies in policy planning, service design and delivery. For these purposes, ServiceLab provides various state agencies with the capacity development activities and workshops necessary to design citizen-centric public services, policies and strategies and implement them in an effective way.

Improvement of land administration

In 1990s, the privatization processes led to establishing of the land property ownership

rights in Georgia. However, the operation of the registering authorities of the immovable property rights were characterized with doubling of functions, corruption, and complicated procedures. Along the development of the property market, new effective mechanism for registration of property rights has been recognized and the LEPL National Agency of Public Registry (NAPR) has been created in June 2004 under the Ministry of Justice as one of the key actors in implementation of the Land Administration system reform. Having among the goals the development of the land market, registration of land without barriers, cadastral coverage of privately held land parcels, the reform resulted in establishing one-stop shop service, simplified registration procedures, unified IT infrastructure, and improved legal framework. All these factors led to well-functioning, customer-oriented, corruption-free, and transparent land registration system and increased confidence of the population in the public governance.

The reform has taken place in four directions: institutional, administrative, legislative and technological. The outcomes of the reform are represented by cadastral coverage of privately held land parcels, sustainable land market, secured ownership rights, centralized registration process through “one-stop shop” principle and free services of NAPR and other organizations. Accessibility of the NAPR services is ensured through its wide presence in many public and private agents. So, besides the online applications, the services are delivered through 48 registration offices, 19 Public Service Halls, 52 Community Centers, 236 notaries, 11 banks and other authorized users. High speed of the operations and coordination with other related public bodies, such as Public Services Delivery Agency, Enforcement Bureau, Chamber of Notaries and Revenue Agency are ensured through the electronic data exchange, which also helps compiling the unique profile of a consumer of public services.

The most recent reflection of the ongoing reform in the sector is the establishment of the Unified Service Center of Patrol Police Department in the Ministry of Internal Affairs in April 2018. The Patrol Police Unified Service Center is an advanced police service center in the region where up to 50 police services, among which are the cancellation or substitution with penalty of a decision on suspension of driving license, delivery of found number plate, consent on transportation of vehicle transferred to a special parking lot, will be provided basing on “one-window” principle. The Center is set to improve the performance of administrative works in the “back office” and as a result, to increase the efficiency of delivering police services.

The Center shall also operate the Corner of the LEPL Service Agency of the Ministry of Internal Affairs, which will offer citizens certain services of the Service Agency. The new Center is equipped with modern infrastructure that adapts to persons with disabilities, the visitors’ queue management, electronic signature and information technology systems. The Center has also introduced the e-application system, which excludes previously established practice of manual completing applications and complaints. The information call center - 2 41 42 42 is launched, which will provide the citizens with all necessary information and will ensure operative delivery of certain services to the citizens.

In August, 2016, NAPR launched Land Registration Reform to improve coverage, completeness and accuracy of registration and cadaster system in the country. Since the launch of the Land reform the number of registered parcels is over 444 000 by April 2018.

Improving public services in law enforcement

LEPL Service Agency of the Ministry of Internal Affairs of Georgia, was established in 2007 to provide all types of services, previously available in different departments of the Ministry and other entities, in one space. The LEPL Service Agency allows to minimize time spent for fulfilling each customer's request along the services provided in its 11 territorial and 3 mobile units. Committed to ensure road safety and driver testing, in 2014, the Agency became a member of the International Commission for Driver Testing (CIECA).

Based on the e-government system, the Agency manages the processes related to vehicle registration, drivers licensing, firearms registration and issuing references and certificates, building on the data from the central database containing information maintained by various ministries and departments.

So, for example, the vehicle registration process, which include inspection of customs clear and non-cleared vehicles, payment of vehicle registration fee, application for vehicle registration, as well the vehicle registration, issuance of number plate and registration document, is implemented in one place and takes in average 20 minutes.

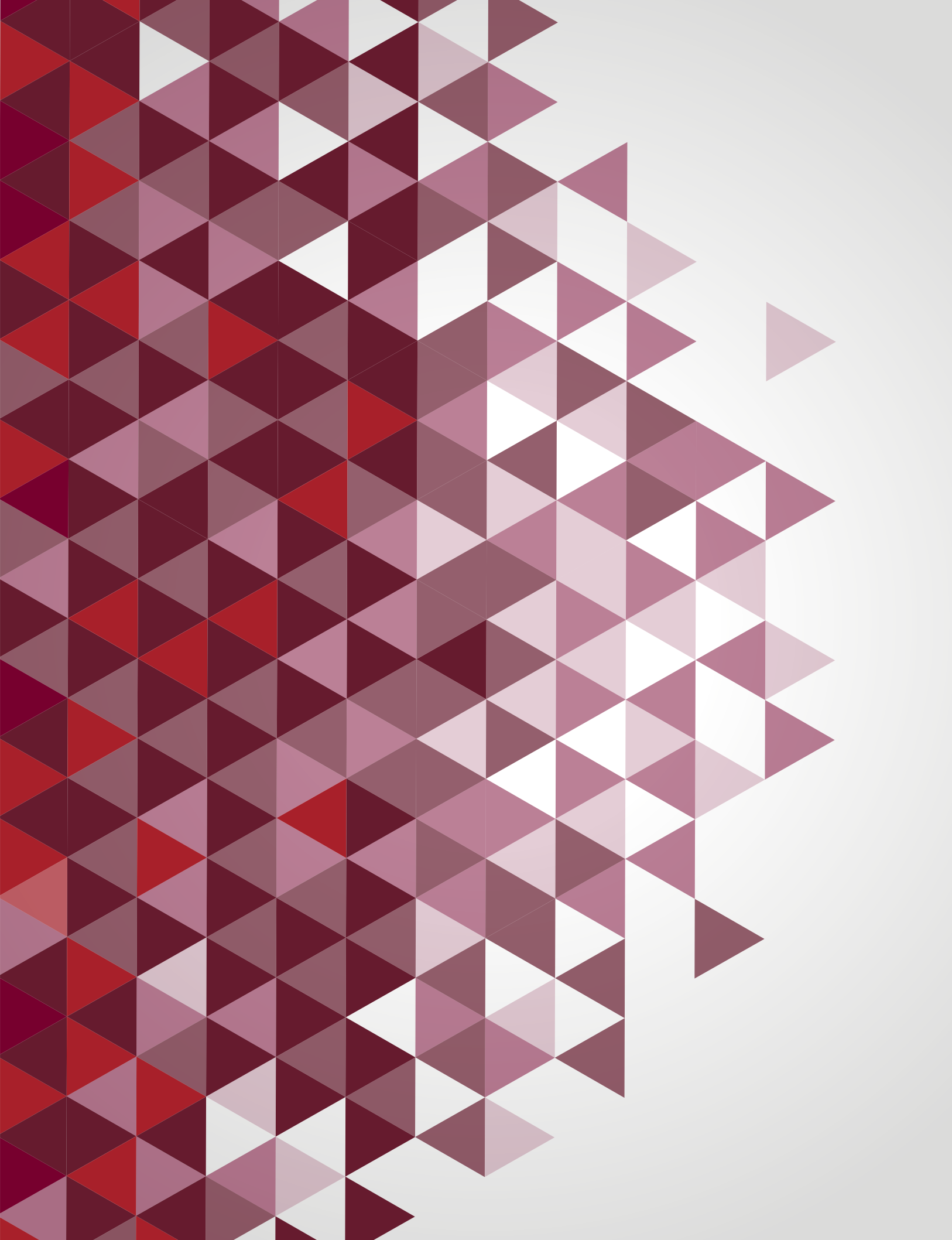
The successful operation of the LEPL Service Agency attracts other countries from the region and beyond which delegates their representatives to learn the proven practices and the innovative system of service procedures.

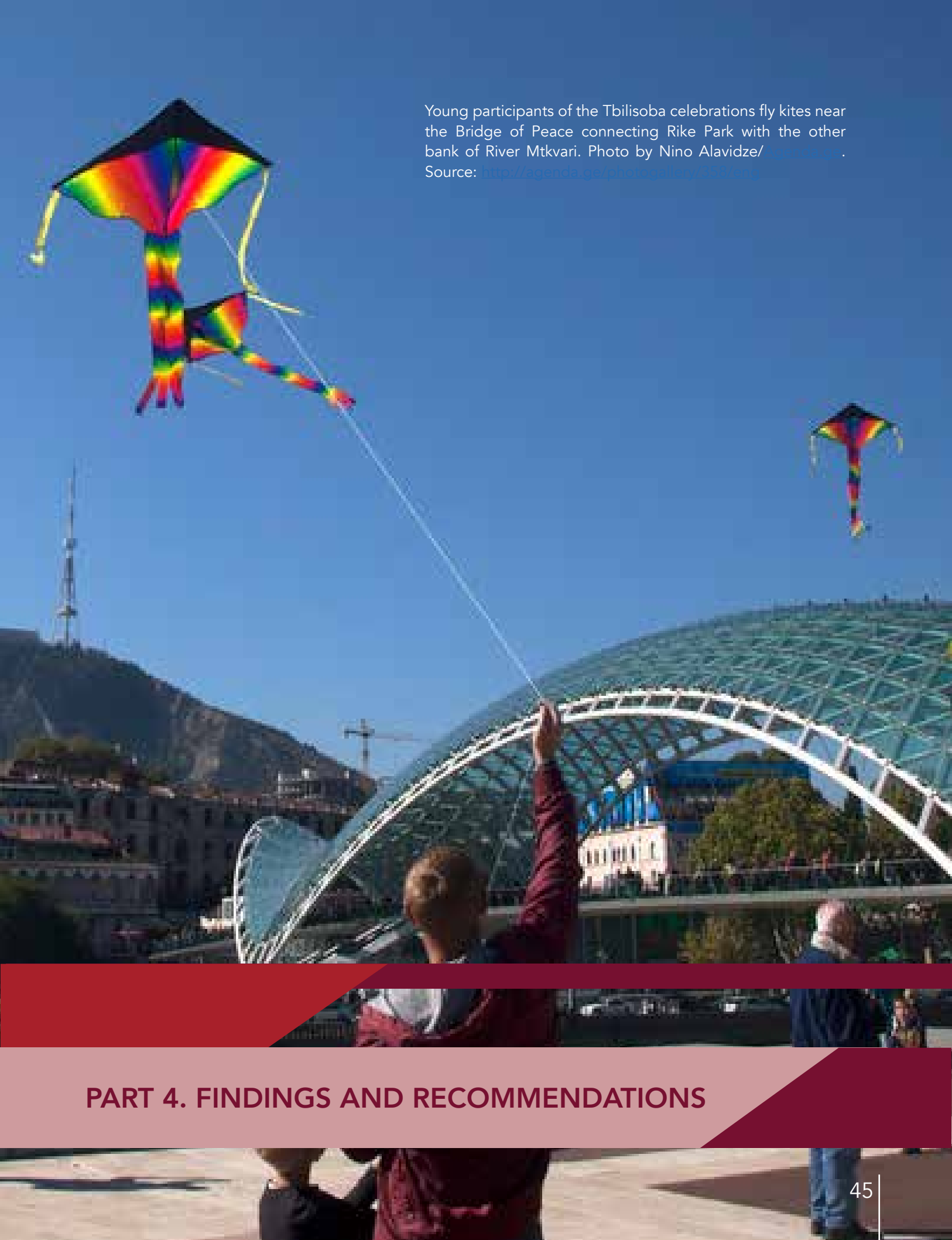
Innovations

The country prioritized building knowledge- and innovation-based economy and becoming regional ICT and innovation hub through increasing the export of intellectual products, innovations and technologies and local inventions and innovation in the governmental program "For Strong, Democratic and United Georgia". Georgia's Innovation and Technology Agency (GITA) was created under the Ministry of Economy and Sustainable Development of Georgia to support establishing framework conditions and practical platforms for new businesses, idea generation and support to start-ups, mainly SMEs. In order to accelerate the process of creating knowledge-based and innovative ecosystem the national plans have been adopted for ensuring high-speed broadband Internet, e-literacy and capacity building, promoting innovations and development of R&D and high technologies. Moreover, the e-government development is considered among the main activities aimed at facilitating private sector development.

Georgia has elaborated comprehensive approach to the establishment of the enabling environment for innovations and small business development. Based on the in-depth assessment of the needs of the national economy and its sectors in R&D, innovation environment and challenges, as well as the expertise of the countries with similar conditions (Serbia and other countries), the Law on Innovations has been drafted and passed in 2016. Concurrently, the infrastructure establishment, awareness raising and capacity building activities have been implemented widely throughout the country. The micro-grants scheme for entrepreneurs, including in the IT sector allowed engaging talented individuals in the orbit of innovative development. Currently, the Techparks in Tbilisi and Zugdidi, 3 Innovations Centers in the regions equipped with the newest tools, provide full spectrum of supportive services and opportunities to those who intend to enter the market of innovative services and products. Built on the actual needs of the population and the sectors of the economy, GITA ensures the centers work intensively and justify the resources spent. 30000 visitors and 2000 beneficiaries trained on the basis of Innovation Centers. 22 Fabrication Laboratories (FabLabs) were established with GITA's support throughout Georgia and more than 400 prototypes were made. More than 120 workshops and training courses were conducted in FabLab, in which up to 550 people (among them 450 are youth) were retrained.

The Agency also plans to establish the Biotechnology Center in 2018-2019 building on historically accumulated expertise of the country in this area. Facilitating innovation activities, 135 trainers were trained, who further transferred their knowledge to 3000 beneficiaries in most demanded IT directions through IT Skills Development Program. 30 teams were selected for business incubation, received business consultancy and training out of which 20 created startups, 51 innovation support competitions (Hackathons, Makeathons, Creathons) were joining over 1200 participants. To promote commercialization of innovative ideas 20 high tech globally scalable startups were financed through Startup Georgia Program in 2016, 263 beneficiaries were financed through Micro Grants Program in 2014-2018 (April). Being integrated into the national development agenda and public administration reforms the establishment of the innovation ecosystem contributes substantially in improving of self-reliance of the population and employment in the sectors with high value added.





Young participants of the Tbilisoba celebrations fly kites near the Bridge of Peace connecting Rike Park with the other bank of River Mtkvari. Photo by Nino Alavidze/ [agenda.gov](http://agenda.gov.photogallery/358.html). Source: <http://agenda.gov.photogallery/358.html>

PART 4. FINDINGS AND RECOMMENDATIONS

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1. While the concept of South-South cooperation is not well recognized in the country, Georgia is actively involved in the activities attributed to South-South (East-East) cooperation, in many cases taking the lead in facilitating such partnerships and exchanges, as well as offering accumulated development expertise to the partner countries.
2. The strong political will in promoting cooperation with developing countries and positioning of Georgia as a provider of sustainable solutions and expertise accumulated during the recent reforms is confirmed both by the evidence of initiatives where Georgia contributes substantially and takes the lead in sharing knowledge (SDG 16+, OGP) and through the survey and interview responses of the stocktaking exercise.
3. Georgia has accumulated recent innovative experience in elaborating solutions to face critical issues hampering development, which allowed the country to revive from the economic and political credibility crisis to one of the most democratized states in the region with open economy and wide opportunities for further transformations. These experiences and expertise are highly valued and demanded by other countries facing similar problems.
4. The UN support to the development of the country is rich in initiatives and projects where the knowledge component plays significant role. At that the UN Partnership Framework does not in full utilize existing tools and facilities for supporting South-South cooperation as a complementary means for traditional forms of development cooperation.
5. While finance is the main challenge that can be faced by the country in advancing its role as a SSC provider, many stakeholders agree that the existing institutional structures and resources could be sufficient to support initial engagement into South-South cooperation activities. Thus, experience exchange in the form of study visits, trainings delivered by the Georgian experts, and other similar activities demanded on the ad-hoc basis are already being implemented under the different frameworks within the existing capacities, even not systematized and coordinated.
6. Current frameworks of international cooperation, including those established within the implementation of the EU Association Agreement Agenda, represent along with bilateral agreements and multilateral platforms sufficient basis for advancing South-South cooperation and increasing the two-way benefit from the cooperation. The opportunities for widely promoting Georgian expertise and assisting other countries in addressing developing challenges are also provided within ongoing projects supported by various international partners.

7. Expertise and knowledge accumulated in Georgia in successfully addressing challenges of transformation are well documented and systematized, including the order of reforming and implementation arrangements.
8. The projects implemented with the support from the development partners with proved and successful results can be considered as a cases and solutions for replication in other countries. Georgia, which has established the strong mechanisms of implementation of these projects, built capacities of its experts and gained knowledge in development areas, in turn, could share this expertise and solutions with the developing and transition countries, which face similar problems that Georgia has successfully overcome in the recent past.
9. The priority areas of the country's development could benefit from the successful practices tested in other countries. Besides, the two-way cooperation in public services reforms, the areas for intensified cooperation could be securing the biological diversity, both in terms of ecosystems and species, developing proper institutional and administrative capacity to manage protected areas, and other activities envisaged as priorities in the national development strategies. Another area that could benefit through absorbing good southern practices is the waste management, which face challenges in the establishment of well-developed and properly equipped waste collection systems. The social welfare system can be supported with the replication of the southern solutions aimed at improvement of access to medical services, development of human resources and other areas that remain challenging in Georgia.

Recommendations to the national stakeholders:

- To contribute into positioning of Georgia as a regional hub of development knowledge, particularly, in the areas of good governance, innovations and the rule of law and justice, through integrating South-South cooperation dimension in the national development plans, sectoral strategies and cooperation frameworks with developing countries and countries in transition;
- Consider an opportunity of elaborating the South-South cooperation policy linked to the national development strategies, including nationalized agenda for SDGs with the aim to enrich the pool of available instruments contributing to the attaining of the objectives set;
- Consider establishing of the coordination mechanism based on the existing institutional arrangements through expand the functions of the government authorities (Administration of the Government and the Ministry of Foreign Affairs) responsible for coordination of development cooperation to include SSC and TC dimension to ensure more systemic approach in matchmaking available expertise with the demand from other countries, to collect and coordinate information from the line ministries

on the current and existing opportunities for engaging into SSC and TC and to identify common challenges that may be addressed through South-South cooperation;

- In the light of the EU AA implementation assess the opportunities for the establishment of the horizontal development assistance provision mechanism which can base on the sharing expertise and knowledge that would bring significant results in the effectiveness of the assistance provided, rather than direct financial support;
- To strengthen capacity of the authorities in national-level coordination of SSC and assign SSC focal points in line ministries, as well as to ensure they are equipped with the sufficient knowledge on the available mechanisms of SSC and TC, including funding opportunities for SSC);
- To raise awareness on the SSC, including its specifics related to the Europe and the CIS regions, based on the historical cooperation traditions and new mechanisms established ; to utilize opportunities and mechanisms of South-South cooperation established in the ECIS and beyond;
- Consider joining regional and global partnerships to advance South-South cooperation, including through engagement of the key centers of excellence, think tanks and R&D institutions into the regional and global networks and platforms (UNDP Global Thinkers Network);
- To allocate and invest resources in further identifying and codifying Georgia's specific knowledge and valuable development experience that can be offered to other countries, including through peer learning of the successful experience of the Southern countries in this area (Indonesia); utilize existing platforms for presenting successful solutions (<http://SouthSouthWorld.org>);
- To utilize the existing funding opportunities (the International Visegrad Fund, the Pérez-Guerrero Trust Fund), including from the new providers of development cooperation (the FAO-China Trust Fund, national development cooperation agencies from Azerbaijan (AIDA) and Kazakhstan (KazAID)) and consider establishment of specialized national funding facility to support transfer of local expertise to other countries through South-South cooperation modalities;
- Blend South-South cooperation activities with traditional tools of development cooperation, including intensifying engagement of bilateral partners in supporting triangular cooperation (the EU, bilateral development cooperation agencies, including USAID, the Czech Development Agency, the Austrian Development Agency, Swiss Cooperation).

With the aim to support national development priorities of Georgia through more active engagement in South-South and triangular cooperation the UNCT in Georgia is offered to consider the following recommendations:

- Provide support to strengthening national capacities for South-South cooperation including in developing strategies and institutional frameworks and be flexible in seeking collaboration modalities in the context of SSC and/or TC in the ECIS region;
- Referring to guidance from the South-South and Triangular Cooperation Task Team of the United Nations Development Group integrate SSC into the country office programming and synergize the initiatives of the United Nations agencies, funds and programmes active in the country through systemic approach to SSC;
- Upon demand from the Government and other national stakeholders and building on the expertise of the UN agencies in relevant sectors provide support in expert evaluation of the value, relevancy and replicability of solutions to be offered to other countries, including through support in engaging external expertise;
- Provide support in advocating the benefits of South-South cooperation within the existing and potential initiatives of bilateral funding partners and multilateral development banks, as well as facilitate cooperation with international partners to create synergies and leverage resources for South-South exchanges; consider joining to the Anti-corruption cross-regional initiative elaborated by UNDP in Arab States and ECIS with Georgia's role as a key provider of expertise and successful solutions;
- Advise the Government and civil society on funding opportunities from traditional donors and dedicated funding sources for South-South cooperation; If requested by the Government, host a regional or global South-South cooperation events linked to the context of the region or similar events, to facilitate partnerships building;
- Being more proactive in engaging the country in SSC and TC initiatives through accelerating experience exchange with other countries in the region, articulate successful solutions during the regional and global events on South-South cooperation as well as explore the potential of inter-regional cooperation;
- Assigning staff for South-South cooperation and allocating specific budgets for SSC and/or TC initiatives.

