

# VOLUNTARY NATIONAL REVIEW GEORGIA

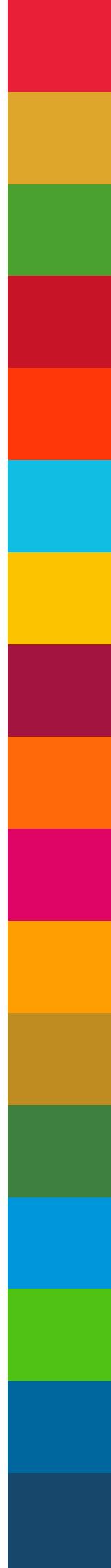
**VNR 2020**





Secretariat of the SDGs  
Interagency Council of GEORGIA

**Administration of the Government of Georgia**



# **VOLUNTARY NATIONAL REVIEW**

Report on the Implementation of the 2030 Agenda on  
Sustainable Development

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# ACRONYMS & ABBREVIATIONS

<b>AA</b>	<i>Association Agreement</i>	<b>MoILHSA</b>	<i>Ministry of Internally Displaced Persons from Occupied territories, Labour, Health and Social Affairs</i>
<b>AoG</b>	<i>The Administration of the Government of Georgia</i>	<b>NAP</b>	<i>National Action Plan</i>
<b>ARDA</b>	<i>Agricultural and Rural Development Agency</i>	<b>NQF</b>	<i>National Qualification Framework</i>
<b>BPFA</b>	<i>Beijing Declaration and Platform for Action</i>	<b>OGP</b>	<i>Open Government Partnership</i>
<b>CAF</b>	<i>Common Assessment Framework</i>	<b>PDO</b>	<i>Public Defender's Office</i>
<b>CDC</b>	<i>Centers for Disease Control and Prevention</i>	<b>PwDs</b>	<i>People with Disabilities</i>
<b>CSB</b>	<i>Civil Service Bauru</i>	<b>SAOG</b>	<i>State Audit office of Georgia</i>
<b>DCFTA</b>	<i>Deep and Comprehensive Free Trade Area</i>	<b>SDGs</b>	<i>Sustainable Development Goals</i>
<b>ECTS</b>	<i>European Credit Transfer and Accumulation System</i>	<b>SMEs</b>	<i>Small and Medium Enterprises</i>
<b>EHEA</b>	<i>European Higher Education Area</i>	<b>SOGI</b>	<i>Sexual Orientation and Gender Identity</i>
<b>EMIS</b>	<i>Education Management Information System</i>	<b>STEM</b>	<i>Science, Technology, Engineering and Math</i>
<b>ESIDA</b>	<i>Educational and Scientific Infrastructure Development Agency</i>	<b>TPDTs</b>	<i>Teachers Professional Development Trainings</i>
<b>ETF</b>	<i>Education and Training Foundation</i>	<b>TSA</b>	<i>Targeted Social Assistance</i>
<b>EU</b>	<i>European Union</i>	<b>UN</b>	<i>United Nations</i>
<b>EUAA</b>	<i>EU-Georgia Association Agreement</i>	<b>UNDP</b>	<i>United Nations Development Program</i>
<b>GBV</b>	<i>Gender-Based violence</i>	<b>UNICEF</b>	<i>United Nations Children's Fund</i>
<b>GEC</b>	<i>Gender Equality Council</i>	<b>UHP</b>	<i>Universal Health Care Program</i>
<b>GITA</b>	<i>Georgian Innovation and Technology Agency</i>	<b>VAW</b>	<i>Violence Against Women</i>
<b>GoG</b>	<i>Government of Georgia</i>	<b>VAWG/DV</b>	<i>Violence against Women and Domestic Violence</i>
<b>GSP</b>	<i>Generalized System of Preferences</i>	<b>VET</b>	<i>Vocation Education and Training</i>
<b>IDP</b>	<i>Internally Displaced Persons</i>	<b>VLAP</b>	<i>Visa Liberalization Action Plan</i>
<b>LNOB</b>	<i>Leave No One Behind</i>	<b>VNR</b>	<i>Voluntary National Review</i>
<b>MAPS</b>	<i>Mainstreaming, Acceleration and Policy Support</i>	<b>WEF</b>	<i>World Economic Forum</i>
		<b>WPS</b>	<i>Women, Peace and Security</i>
		<b>WTO</b>	<i>World Tourism Organization</i>

## FOREWORD BY THE PRIME MINISTER



We are living in extraordinary times. The world faces developmental challenges which require our firm, innovative, and smart response. Sustainable development is the key to improve the prosperity and well-being of all Georgians, while ensuring protection of our planet. Driven by these objectives, the ambitious Agenda 2030, guided by the strong leadership of the United Nations, serves as a catalyst and significant instrument to accelerate the process of sustainable development at home and worldwide. We strongly believe that SDGs are essential components for positive transformation of our planet.

Just as we entered the Decade of Action and started to see positive impacts of our joint work, our numerous achievements since 2015 are endangered by the pandemic. It is against this background that I am delighted to present 2nd Voluntary National Review of Georgia on the implementation of Sustainable Development Goals and express our firm commitment to further advance the 2030 Agenda.

The SDGs are of utmost importance for Georgia as they are for the people around the world. The Government of Georgia has adopted a National Document on the Implementation of the SDGs outlining targets and milestones for each 17 Goal.

Furthermore, we have managed to strongly embed Agenda 2030 goals, targets, and indicators into our national policy planning system as well as to ensure that the government's policies and priorities are designed to fulfill the core pledge – "to leave no one behind" - that underpins the Agenda.

Over the past years Georgia has made significant socio-economic progress. As a result, Georgia has been elevated from lower middle to upper middle-income countries by the World Bank classification. Despite regional economic shocks, the country managed to sustain stable economic development with average annual GDP growth rate of 5% during last three years.

Economic development, coupled with continuous internationally acknowledged business-friendly environment (globally, ranked 7th out of 190 countries in the World Bank's Doing Business 2020 report) had a positive impact on the jobs-creation. In 2019, we achieved the lowest historical unemployment rate (11.6%) in 18

years. Consequently, since 2015, the proportion of population living below the national poverty line (absolute poverty) declined by 9.7%.

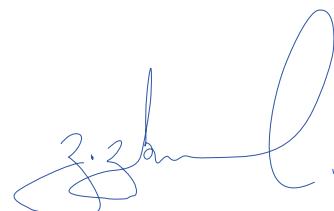
Georgia pays special attention to the increasing quality and accessibility of education, healthcare and social services which are the key components for achieving sustainable development and improving well-being of our citizens. Education is one of the key priorities for us and the country has made significant progress in reforming the general education and developing demand-based higher and professional education in order to reduce existing skills-mismatch problem on the labor market. To improve health and well-being of the citizens, we introduced the ground-breaking Universal Health Care (UNC) program enabling full access to healthcare services to each citizen.

The Government of Georgia attaches the highest importance to building strong, transparent, and accountable state institutions - the foundation and pre-requisite for sustainable development. We are committed to furthering public administration reforms aimed at increasing effectiveness, openness, and accountability of state institutions. We are proud to be ranked as one of the countries in the world with the least amount of corruption; in the years 2015-2018 we have seen a year-on-year average growth rate of 1.51% in the Control of Corruption Index by the World Bank. Georgia is also a champion ensuring fiscal transparency, ranked among the top 5 performers in open budget index since 2017 (Open budget survey). We are further consolidating our institutional mechanisms for protection of human rights, especially for the most vulnerable groups.

Despite all this progress, we well recognize there are still social, economic, environmental, and institutional challenges and are making every effort to find the best possible solutions based on evidences and analysis. The Review provides detailed information on this matter as well.

Full implementation of some SDGs is challenging in the light of Russian occupation of two regions of Georgia – Abkhazia and Tskhinvali Region - where we face major human rights challenges. The people residing inside the occupied regions of Georgia are deprived of benefits of development and suffer from the constant violation of their fundamental rights and freedoms. In this regard we strongly rely on the support of the international community.

As the world is now in the battle with the Covid-19 pandemic, the importance of sustainable development gains new impetus. Although Georgia has been successful in containing the spread of the virus in our country, economic and social impacts are anticipated to be challenging. We strongly believe we must re-double our efforts and take them to the strategic level in order to remain on the path of the positive progress towards Agenda 2030. As we are convinced that goals of 2030 Agenda can be achieved only through the effective partnerships and an inclusive process. The government of Georgia is determined to continue to work closely with all relevant stakeholders as well as international and development partners to contribute to the solution of global challenges and to shape a better future for Georgian citizens.



**Giorgi Gakharia**  
Prime Minister of Georgia

# 1. EXECUTIVE SUMMARY

In 2016 Georgia presented its first Voluntary National Review (VNR) on the initial steps towards the implementation of the 2030 Agenda for Sustainable Development. The objective of the initial document was to set out our ambition for the future and to present Georgia's approach towards the implementation of the Sustainable Development Goals (SDGs). This report follows in the footsteps of that initial document. Since sufficient time has passed after the adoption of the SDGs framework, we can now draw some conclusions regarding the integration of the SDGs into national planning, as well as the achievement of the objectives we have set out for ourselves in this process.

The past four years have been broadly positive in terms of economic growth. Since the adoption of the 2030 Agenda in 2015, GDP per capita (GEL) in Georgia has been increasing with average annual growth rate of 4.1% (SDG 8.1). Despite external shocks, the country managed to sustain stable economic growth with GDP real growth rate of 5.1% in 2019 while GDP per capita reaching nominal USD 4,763. Georgia has been moved from lower to upper-middle income countries by the World Bank classification.

Yet, despite this success, driven by the spirit of the SDGs, which seeks a sustainable interplay between the economic growth, human development and environment, the Government of Georgia has been determined to target persistent inequalities in the Georgian society. Even as the proportion of the population living below the national poverty line (absolute poverty) has dropped by 7% since 2015, income inequality remains relatively high creating a good basis for a 20% reduction in poverty by 2030 (SDG 1.2.1). The proportion of people living below 50% of median income has increased, indicating that differences in economic welfare of "median" and "average" Georgian has widened (SDG 10.2).

An interaction of open governance with the accent on sustainably righting the persisting economic inequalities represents Georgia's commitment to "leave no one behind". Ongoing policy initiatives, described in more detail in the body of the report, endeavor to provide more efficient social safety net to those who are in economic precarity both in the

short - to medium term – through Targeted Social Assistance and Universal Healthcare, and in a longer-term perspective by improving access to education to vulnerable groups, and by re-inventing the systems of vocational education and training.

As mentioned in 2016 National Review, the achievement of the SDGs takes place in the context of occupation of the Georgia's two regions – Abkhazia and Tskhinvali region/South Ossetia by the Russian Federation. Russia's increased militarization in the occupied territories, the process of construction of physical barriers and obstacles along the occupation line, closure of the so-called "crossing points", illegal detentions and kidnappings in the period of 2016-2020, caused severe aggravation of the security and human rights situation on the ground and had negative impact on the humanitarian situation and livelihoods of divided communities. Severe and systematic human rights abuses, including but not limited to the violation of right to life, restrictions placed on the freedom of movement, the right to receive education in native language, to benefit from health services and ethnic discrimination, *inter alia*, for years have even aggravated the heavy burden of occupation for the conflict-affected population. Yet, responding to this challenge, the Government of Georgia steadily pursues the policy of peaceful conflict resolution. Georgia has implemented the EU-mediated 12 August 2008 Ceasefire Agreement, has numerously reaffirmed (at both executive and legislative levels) and has been implementing the non-use of force commitment, still awaiting the reciprocity from the Russian Federation. However, after almost 12 years since the full-scale military aggression against Georgia, Russia still has not implemented the Ceasefire Agreement and further reinforces its illegal military presence on Georgian soil. Georgia spares no efforts to use effectively the Geneva International Discussions for solving the security and humanitarian problems stemming from the Russian occupation and uses all the relevant international formats to consolidate international support and engagement in the process of peaceful resolution of the Russia-Georgia conflict. On the other hand, the Government of Georgia has been committed to the policy of reconciliation and engagement between the divided societies and in 2018 put forward the peace initiative - "**A Step to a Better Future**" (see box 19), which aims to provide education, healthcare and business development opportunities for divided communities.<sup>7</sup>

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<sup>1</sup> Abkhazia and Tskhinvali Region/South Ossetia

As the world is in the battle with the pandemic, Georgia, so far is considered as a regional and worldwide success story in containing the spread of the Covid-19 virus, as the pandemic continues to ravage the globe. In comparative terms, per 1 million population, Georgia has only 216,2 cases of infection and 3.5 cases of death associated with Covid-19, while worldwide average being at 570 and 38.3, respectively (as of June 3, 2020). The evident alleviation of the spread and comparatively low mortality rate can be ascribed to the swift and expeditious preventive and combative measures taken by the Government of Georgia since the early January of 2020.

## GOOD PRACTICES AND LESSONS LEARNED

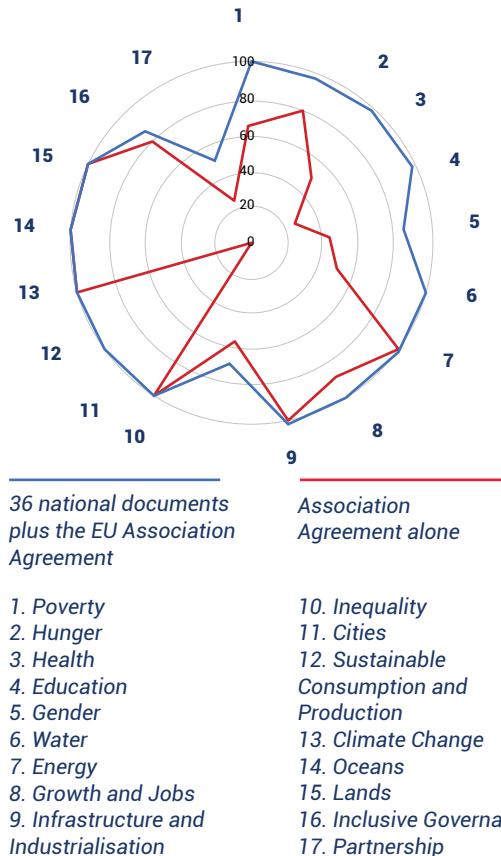
### 1. Integration of SDGs with nation-wide shared objectives gives higher political weight

In 2014, Georgia signed a milestone Association Agreement (AA), including deep and comprehensive free trade area (DCFTA) with the European Union, which builds a foundation for far-reaching political, social and economic integration of Georgia with the EU. Joining the EU is a matter of national consensus – around 80% of Georgians consistently support this objective, with the European aspirations now enshrined in the revised Constitution. The 36 national strategies and the EU-Georgia Association Agreement (EUAA) now jointly incorporate 96% of the country's nationalized SDG targets. On a more technical level, linkage with the AA eases tracking of the progress towards the objectives, as well as provides regional basis for consultation with the like-minded governments on best ways to fulfill these goals.

### 2. Public-private partnerships have the potential to deliver tangible results quickly

To achieve its nationalized SDGs, Georgia needs to achieve rapid progress through innovation and mobilization of cutting-edge expertise. In some areas, the capacity gaps in the public sector are best bridged through public-private partnerships (PPP). Georgia attaches particular significance to the role of the PPPs in the country's socio-economic development. In 2018 the Parliament of Georgia passed a law on Public-Private Partnership and respective Public Private Partnership Agency was established – directly accountable to the Government of Georgia. The existing legal and institutional framework

*Alignment of national strategies with SDG targets for each SDG*



*Table1: Accelerating Progress towards the Sustainable Development Goals (SDGs): Identifying Priority Areas for Action in Georgia (2019).*

is which is perceived as conducive for various PPP modalities.

One prominent example in this vein are the **Vocation Education and Training (VET) Reform**, which was launched with the adoption of the *Strategy of Vocational Education and Training (2013-2020)* and corresponding *Action Plans*. The aim is to address the chronic skills mismatch in the Georgian labour market. The government founded 8 new VET colleges and 10 new branches in 2013-20, but the crucial element for their uptake was the partnership in which the employers were directly involved in the development of professional standards, and sectorial councils composed of employers provide validation of professional standards and VET programs. In 2016, "work-based teaching" concept was piloted and *dual education* programs<sup>2</sup> were introduced that should noticeably enhance employment and self-employment opportunities. Fur-

ther growth of such partnerships is currently taking place to engage private sector in training and education, by having the right to co-found the VET colleges and/or taking on management functions. These programs are specifically targeting vulnerable and disadvantaged groups, such as ethnic minorities, youth and displaced persons.

Another example of fruitful public-private cooperation was the program for the **elimination of hepatitis C (HCV)**, one of the most concerning issues for Georgia's health care system. A pioneering partnership of the *Centers for Disease Control and Prevention (CDC)* and private biopharmaceutical company Gilead, started in 2015, aiming at achieving 90% reduction in prevalence by 2020 and finishing the elimination process by 2021. From May 1, 2015 to February 28, 2019, testing was scaled up and 54,313 patients were treated within the program. As a knock-on effect, the country introduced tandem screening for HIV and HCV for drug users and people receiving harm reduction services within the Global Fund to Fight AIDS, Tuberculosis and Malaria's HIV programme in Georgia.

### 3. Ensuring "Leaving No One Behind" in the crucial areas

The Government introduced the **Universal Health Care Program (UHP)** in 2013, guided by the pledge to "leave no one behind". It aimed at making the basic package of health care services accessible for everyone. The state took the responsibility to cover primary health care services, planned and urgent outpatient services, emergency inpatient services, planned surgical operations, delivery, and treatment of oncological diseases. UHP also covered residents of occupied territories (irrespective of their nationality), who receive treatment in any regions of the country. In May 2017, the Universal Health Care Program moved to service stratification based on income groups and medication funding. The Universal Health Care program softened the burden of households' health care expenditure – out-of-pocket (OOP) expenditures were reduced from 80% in 2005 to 53% in 2018.

Looking ahead, Georgia's **strengths** are steady economic growth, which proved resilient to dramatic external shocks over the years, national consensus on its overall political objectives and the demonstrated ability to achieve decisive improvements in key areas of the rule of law and governance in an extremely short timeframe. Commitment and entrepreneurial spirit of the citizens of Georgia, vibrancy of its civil society can and have driven country forward.

**Weaknesses** are in high emigration and persisting income inequality, which undermines solidarity and growth.

**Opportunities** are provided by transitioning to an innovative and eco-efficient economy, using the advantages of cultural, creative and natural capital, as well as by reducing income and opportunity inequality through improving health care, education, improving public services and governance and ensuring adequate social support, leaving no one behind. Engagement of civil society and private enterprises as partners for achieving the development objectives can multiply the pool of expertise and coverage of public sector programs.

**Threats** are posed by continued occupation of the Georgian territories by the Russian Federation, by the illegal presence of hostile military forces of the Russian Federation on Georgian soil that represent an existential threat to the Georgian statehood as well as posing the threat to the entire European security and causing severe negative effect on the humanitarian and human rights situation of hundreds of thousands of conflict-affected people. Combined with impact of the climate change and worldwide economic downturn, exacerbated by the economic crisis brought by Covid-19, may breed apathy and disengagement of the citizenry from the reform project.

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<sup>2</sup> Since 2016, 50% of the learning outcomes of a professional education program are achieved in a real work environment. Moreover, more than 800 people have been involved in dual programs, and more than 50 companies are collaborating with colleges to implement these programs.

## AREAS WHERE SUPPORT IS NEEDED

### 01

The Sustainable Development Goals Report 2019 of the Secretary General recognized that intensified conflicts have undermined the SDGs and threaten reversal of the progress achieved to date. This represents a clear challenge for Georgia, and an area where additional support is required. The Geneva International Discussions co-chaired by the representatives of the UN, EU and the OSCE have continued, but no tangible progress has been reached to recognize and reverse the occupation of the Georgian territories. While the Georgian government recognizes its positive obligation to ensure progressive implementation of rights of the divided communities and has put forward specific policy solutions to that end, significant part of the responsibility lies with the party exercising effective control over the said territories.

### 02

Unprecedented policy measures linked to the onset of Covid-19 pandemic put into sharp focus the need to build resilience and reduce disaster risk. While Georgia has been applauded for its efforts to confront the pandemic, further contingency planning and sharing of best practices with international agencies will be required to conduct the lessons learned exercise.

### 03

Despite tremendous support provided by the development partners, there are still gaps for the outstanding needs caused by pandemic. The government of Georgia presented its Anti-Crisis Plan. However, considering the possible extent of the damage of the crisis on the Georgian economy, in medium and long-term perspective the country will require schemes for financing for the recovery phase that would ensure the alignment of the progress towards achievement of the SDGs, as before the pandemic erupted. Furthermore, incentives are being considered for capturing new investment and market opportunities arisen from COVID-19 related global re-positioning of industries and long-term policy for competitiveness.

### 04

Structured platforms where knowledge about the governance systems are shared, can be useful for effective implementation of the SDGs. Although implementation of the SDGs is a global endeavor, the policies are designed, implemented and measured at a national level. This warrants strong and structured collaboration between the states and governments, as well as civil society actors, which is a learning process. In 2018 Georgia as the chair of the Open Government Partnership hosted the OGP Global Summit in Tbilisi. As the re-elected member of the OGP Steering Committee, Georgia will remain actively engaged to both learn from and share its own positive experiences in public service development and provision, advancing civic engagement and strengthening the principles of open governance.

## 2. GEORGIA AND THE SDGs

The Government perceives the alignment with the SDGs for Georgia not as a bureaucratic process, but as a conscious, whole-of-government approach to streamline country's policies towards the shared vision of the future. The commitment to the SDGs has thus been expressed through the alignment of the national policy process with the SDGs, as well as by the adoption of the "National Document for the Sustainable Development Goals" by the Georgian Government. Elaborated through wide consultation both within the government and with civil society stakeholders, this document describes the nationalized targets (93) and indicators (200) and sets out the institutional and procedural structure for monitoring of their implementation.

In addition, the political priority given to the SDGs has been reflected through consistent and conscious integration of the SDG objectives into country's EU association agenda, linking them to the core national objectives. Important to mention that in June, 2019 the Parliament of the Georgia adopted a Strategy for Supporting and Monitoring of the Implementation of the SDGs in the country.

Moreover, for the purpose of further refinement of integration process and to support establishment of a proper fundament for successful realization of the goals, State Audit office of Georgia (SAOG) assessed the national preparedness for implementation of SDGs and issued recommendations based on the audit results. The assessment revealed that the government has taken significant steps in terms of integration the 2030 Agenda into the national context, establishing coordination mechanism, ensuring capacity building for respective civil servants and formation monitoring and reporting framework. However, despite the actions undertaken by the government towards preparation for implementation of SDGs, the audit has revealed some shortcomings that need to be addressed to achieve the goals in a successful and timely manner (for example: ensuring linkages with SDGs framework and country's budget planning instruments; clear division of responsibilities among public agencies; localization of SDGs). Based on the recommendations, the Government of Georgia has elaborated

and implemented action plan which is the guiding document for improvement of both institutional and coordination framework of the SDGs in Georgia.

In order to fill the existing data gap for the SDGs framework, in 2018-2019 Georgian Government, by support of the UNICEF Georgia launched implemented Multiple Indicator Cluster Survey (MICS). The results of the survey were made available in late 2019. The MICS included over 180 indicators and involved over 14,000 households, providing regionally representative data which can be disaggregated by age, sex, urban/rural, IDP status, ethnicity, disability and wealth. This information can be used to target and design critical interventions. MICS provided baseline values for many indicators of the nationalized Sustainable Development Goals.

### INSTITUTIONAL SETTING AND OWNERSHIP OF THE SDGs

The key coordination body for implementation of the national SDG targets is the **Sustainable Development Goals Inter-Agency Council (SDG Council)**, Chaired by the Head of the Administration of the Government of Georgia. Since 2015, the Administration of Government of Georgia has led nationalization and coordination process of the SDGs. The Council has 4 thematic working groups on:

- Social Inclusion;
- Economic Development;
- Sustainable Energy and Environmental Protection;
- Democratic Governance.

The Council engages stakeholders from the public, civil, international, academic and private sectors in its working groups. The Policy Planning Unit of the Policy Planning and Coordination Department at the Administration of Government of Georgia serves as the secretariat to the SDG Council. That unit also monitors the implementation of the national SDGs through a special electronic system (<http://sdg.gov.ge>).

Driven by the spirit of the **whole of society approach** and based on the recommendations of the above-mentioned SAOG audit report, the design of the Co-ordination Mechanism has been updated in 2020 by the Prime Minister's decree.

In particular, now statute of the council and the terms of references of the thematic working groups ensure proper participation as well as mechanisms for increasing of the ownership of the civil society of the process:

- Each working group has a chairperson (from governmental agencies) and **two co-chairs**:  
- 1 from civil society organization – elected by the member CSOs of the working group for 2-year period based on the rotation principle;  
- 1 from the relevant UN agency.
- Chairs and co-chairs are part of the inter-agency council participating in the decision-making process.
- Co-chairs are involved in agenda setting process of a working group and can draft and submit a motion to the council
- Each member of the thematic working group can submit a motion to the chair and co-chairs to defer it to the council.

It is anticipated that the spirit of the whole-of-society in the SDGs coordination will be further improved through the abovementioned mechanisms, creating incentives for the CSOs to part of the process.

Yet, the government is conscious of certain structural and procedural challenges/needs:

- Implementation of the SDGs at the local level is slightly lagging, as also identified in the State Audit Office report on national preparedness for implementation of SDGs. In this regard, the secretariat of the SDGs has already elaborated an action plan for effective localization of the SDGs, which is in line with the Decentralization Strategy of the Government, adopted in 2019 (see 4.3 chapter). Furthermore, an updated Statute of the SDGs Council ensured that Mayor or Deputy Mayors of municipalities have become the members of the council.
- Capacity building of civil servants to design and conduct public consultation process. This is being done through engagement and support of international stakeholders and national education institutions. On the other hand, building the capacity of the non-governmental entities

to productively contribute to the policy development process is also important. Several international stakeholders support, and the Government encourages, CSO projects that contribute to policy process, or that monitor implementation of strategies.

- As elsewhere, the degree of horizontal cooperation is uneven: while the responsibility for some nationalized SDGs targets – 1 (Poverty), 8 (Employment), 16 (Peace) – is explicitly shared across multiple institutions, the others are concentrated under the competencies of a single agency. Through SDGs Council and ongoing policymaking initiatives, the government plans to improve cross-sectoral coordination and collaboration, as well as to ensure more consistent engagement of external stakeholders.

#### **LINKAGES OF THE SDGs WITH OTHER POLICY DOCUMENTS**

In the time that has elapsed since the first submission of the National Review, the Georgian Government, with support of the UN Country Office and external experts made a sequence of steps to organically integrate the SDGs into national policy documents. In 2019 UNDP Georgia supported **MAPS** (Mainstreaming, Acceleration and Policy Support for the 2030 Agenda) study in order to identify state of play of the SDGs in the country.

Initially, experts assessed 55 national and sub-national policy documents (strategies, action plans, regulatory acts) with the SDGs. Secondly, the extent to which national budgets reflected the priorities spelled out in the strategic documents was analyzed through the review of the national budget Basic Data and Directions document for 2017-2020 (2019-2022 budgeting cycle). The final step was to conduct a "complexity analysis" to assess the degree to which achieving SDG targets in one area could help to accelerate progress in other areas.

The resulting research showed that the integration of three dimensions of the sustainable development (economic, social and environmental) Integration of the nationalized SDGs into Georgia's development planning is **very high**:

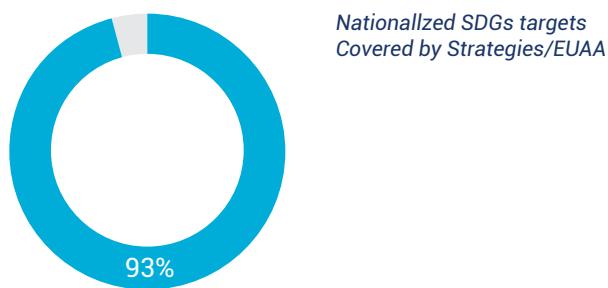
The EU-Georgia Association Agreement alone incorporates 63% of the country's nationalized SDG targets – by far the largest share of any Georgian strategy or

Freedom, rapid development & welfare government program 2018-2020 - 39 targets	Rural Development Strategy (2017-2020) - 20 targets	State Concept for Health Care System (2014-2020) - 13 targets	Third National Environmental Action Programme (2017-2021) - 12 targets
	SME Development Strategy (2017-2020) and action plan - 15 targets	Regional Development Program (2018-2021) - 12 targets	Social-economic Development Strategy 2020 - 11 targets

Figure 1: Policy Documents with the highest number of nationalized SDGs Targets

planning document. This high degree of alignment shows the extent to which the European integration agenda and the 2030 Agenda are mutually reinforcing. Moreover, the Association Agreement includes targets missing from other national strategies.

Taken together, the 36 national strategies plus the Georgia-EU Association Agreement cover 93 % of the country's nationalized SDG targets. As is shown in the spider graph presented in Table 1, the 7% of targets that are missing are for the SDGs 5 (Gender), 10 (Equality), 16 (Peace) and 17 (Partnerships). Several central national strategies contain a large number of the nationalized SDG targets.



A process of learning and reflection regarding the proper functioning of Georgia's policy framework, its alignment with international commitments on one side, and with country's budgetary planning cycle on the other led to realization on part of the Administration of the Government that further streamlining of the strategic objectives was needed.

To be effective, the SDGs need to be deeply integrated into the national policy process. Based on this reflection, the Administration of the Government worked with the line ministries, government agencies, local and international experts and its in-

ternational partners to establish a new **Policy Planning and Coordination System in Georgia**.<sup>4</sup>

The handbook assures deep integration of the SDGs in a sector policy cycle – not only any of the newly adopted strategic documents must be drafted having in mind the linkage with the SDGs, but goals that are listed in the logical framework should be connected with the Agenda 2030 commitments. The logical frameworks required for the operationalization of the strategies, align these goals closer to the budgetary planning process.

Based on the analysis of the budgeting process, Peace (SDG 16), Health (3), Education (4), Poverty (1) and Infrastructure (9) and Equality (10) received the largest shares of the budget, and thus can be considered de facto national priorities. For other SDGs, however, funding was less generous and visible. For Gender (5), and the "Planet" goals (6, 12, 13, 14 and 15), programmed amounts accounted for only 3 percent of the total. The priority areas will be revisited with this analysis in mind, and based on the new strategic planning processes and procedures.

### THREE DIMENSIONS OF THE SUSTAINABLE DEVELOPMENT IN GEORGIA

Striking the perfect balance of the policies among the three dimensions – social, economic and environmental – of sustainable development is a difficult task for the governments. In the past years, the Georgian Government had been consistently accenting the need for re-balancing the policies heavily focused on growth to include higher prominence of the social agenda. The environmental dimension is yet another area intrinsically linked to such re-orientation, since it includes the general under-

<sup>4</sup> Decree of the Government No. 629 "On the Approval of the Rules of Procedure for Development, Monitoring and Evaluation of Policy Documents". The Decree is backed up by the detailed Policy Planning, Monitoring and Evaluation Handbook, which provides methodological basis for all required steps in policy planning and evaluation.

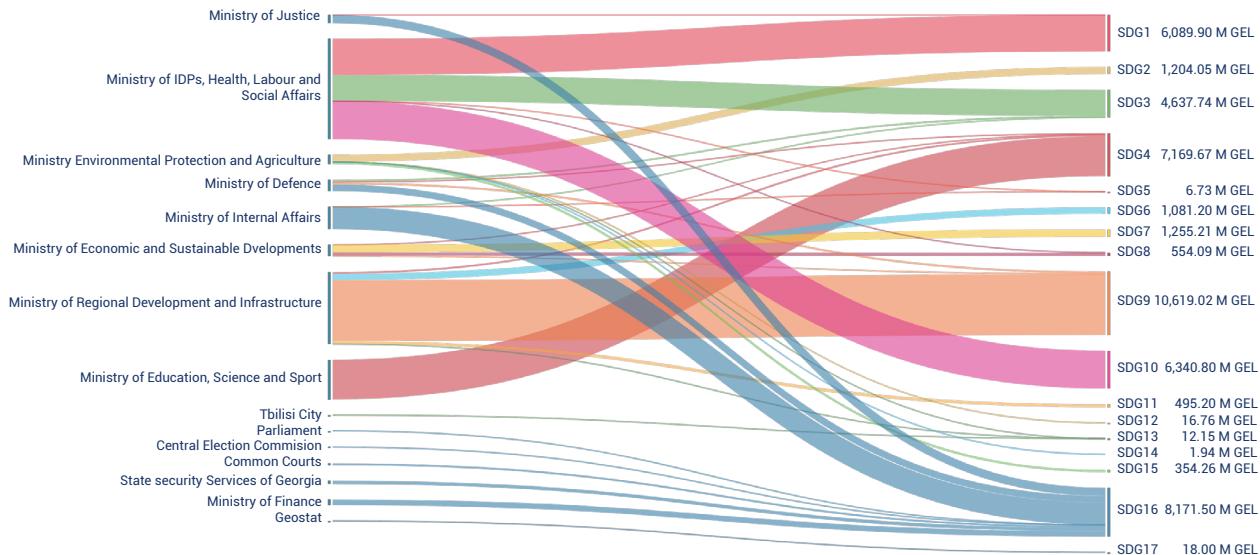


Figure 2 Budget Allocations for 17SDGs, 2019-2022, BDD

standing of better environment being essential to human well-being but also looks towards environmentally sustainable approaches as a path towards building more sustainable economy – particularly in high-value areas for Georgia, such as tourism and agriculture.

The abovementioned MAPS study also looked specifically at the degree of integration of the three dimensions in Georgia's policy mix. The analysis was conducted in line with the methodology adopted globally by the UN, grouping the SDGs into five thematic clusters: People, Planet, Prosperity, Peace and Partnership. The research showed that judging by the sectoral breakdown of the nationalized SDG targets, Georgia is currently focusing most heavily on "people," with "prosperity" coming second, "peace" third, "planet" fourth and "partnership" as the last. The weakness of cross-cutting elements and of coordination were noted. Although importantly the Association Agreement with the EU supports specifically the cross-sectoral coherence SDGs 2 (Hunger), 3 (Health), 5 (Gender) and 10 (Equality), marking AA once again as an engine towards making progress on the SDGs.

Like elsewhere, in Georgia, too, it is difficult to measure and identify ready-made policies of balancing the three dimensions of the sustainable development. As practice shows, this is more of a process, rather than an end itself. Therefore, Georgia is still trying to identify the most relevant approach for ensuring the three-dimensional theory of development.

## CONTEXT AND OBJECTIVES OF THE REVIEW

The present exercise of the National Review took place in the context of the Government's determination to overhaul all stages of the policymaking. This effort goes hand-in-hand with the comprehensive Public Administration Reform, which shall further advance transparent, effective, accountable and inclusive institutions, free of corruption and ensure better access to justice for all (SDG 16.3, 16.5, 16.6).

The backdrop of Covid-19 pandemic put the role of government into a sharp focus. It also highlighted the underlying inequalities and alerted the society to the need of resuming economic growth without leaving anyone behind. The whole-of-government response to the Covid-19 pandemic has been coordinated through the Administration of the Government, which is also responsible for mainstreaming and coordination of the SDGs. Through coordination of the epidemiological response, government-led mobilization of healthcare assets, and decisive actions to ensure social distancing, Georgia managed to "flatten the curve".

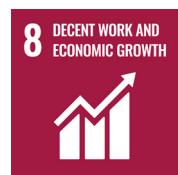
The participants of the SDGs review process were motivated by taking stock of progress to date, so that it feeds into informed and evidence-based discussion on necessary adjustments in post-pandemic environment, and so that required international support is mobilized to achieve shared objectives.

### 3. METHODOLOGY AND PROCESS FOR PREPARATION OF THE REVIEW

Georgia's Voluntary National Review is a product of the inclusive process in line with SDGs universal pledge to "leave no one behind." To ensure the whole of government approach existing SDGs institutional mechanism was used for the preparation of the VNR 2020. Administration of the Government of Georgia (AoG) closely worked with all line ministries and National Statistics Office of Georgia. The process was conducted in close cooperation with the SDGs Council Thematic Working Groups, which are composed of representatives of various state institutions, civil society organizations, international organizations, private sector and academia. The process has been immensely supported by the Office of UN Resident Coordinator and UNDP in Georgia.

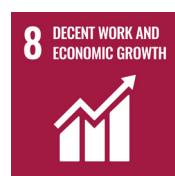
At the initial stage, the secretariat developed an outline and established priority areas in line with the main manifesto Government Programme and its reform agenda. Therefore, considering the fact that this is the first year when countries will be reporting through their domestically determined priority perspective, the Georgia's VNR describes progress towards implementation of SDGs with an in-depth review of three priority areas, namely:

**1. Human Capital Development and Social Welfare**  
 Georgia considers human capital to be a key factor for achieving sustainable development and improving welfare of the whole society. Therefore, education has been selected as one of the key priorities of the country's development agenda. Ensuring inclusive, equitable and affordable education is a prerequisite to encompassing decent jobs and productive employment with an adequate salary, quality of leisure time, professional and personal development of workers, improved productivity of the labour, and enhancing gender equality. Detailed analysis is provided in the chapter 4.1 covering Goals: 1, 2, 3, 4, 8, 10;



#### 2. Economic growth

Rapid economic growth is seen by the Government as main component for the country's sustainable development. The economic growth can be achieved only through fair competition, free and responsible private sector, protected property rights. Fair and just rules are of paramount significance as much as these directly effect on competition – the basis of market economy. This part covers Goals 7, 8, 9, 10, 12;



#### 3. Democratic Governance

As mentioned above, with the support of the European Union as well as the UK and Swedish Governments, Georgia is engaged in a wide and comprehensive Public Administration Reform. To this end, the Georgian government intends to support improvement of the effectiveness, results-based management and transparent, open and corruption free, professional public sector. Goals 5, 10, 16 have been analyzed in this section.



The report highlights main achievements, challenges, some of the best practices and identifies areas where further work is needed.

The **methodology** incorporated both quantitative and qualitative research methods. A number of tools have been used in the reporting process to collect the necessary data and information, including electronic monitoring system (SDGs tracker).

Implementing the SDGs is not responsibility of only governments but also it requires an effort by various stakeholders. The draft report has been shared within existing institutional framework (4 thematic working groups) consisting of CSOs, international organizations, think tanks, academia, development partners and private sector. It has been made also available on the special SDGs website ([www.sdg.gov.ge](http://www.sdg.gov.ge)) to encourage public debate and opinion. All consultations were designed to be participatory and collaborative.

In total, the Secretariat has received:

- Approximately 200 comments/suggestions/feedback from,
  - More than 20 organizations (including international organizations).
- Most of the comments and suggestions corresponding to the thematic areas and substantiated by the evidences have been taken into consideration. After refinements and changes, the document has been submitted, reviewed and adopted by the SDGs Interagency Council. In addition, statistical Annex has been developed and attached to the report which illustrates the progress towards those nationalized goals and targets, for which data have been available.



**Priority Setting**



**Data Collection**



**Analysis by Independent Experts**



**Interviews & Input from Public Agencies**

## Consultations

### THEMATIC WORKING GROUPS ON



**Economic Development**



**Democratic Governance**



**Social Inclusion**



**Sustainable Energy & Environmental Protection**



NGOs



Public Agencies



IOs



Development Partners



Academia



Business



Think Tanks



**Refinement & Changes**



**Validation by SDGs Interagency Council**

# 4. HUMAN CAPITAL DEVELOPMENT AND SOCIAL WELFARE



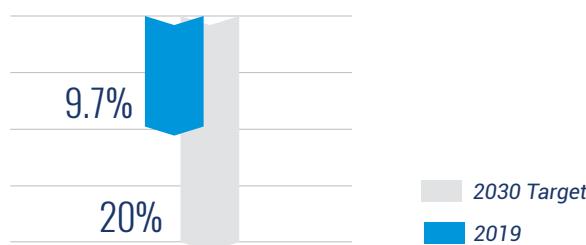
Rapid economic development of Georgia resulted in drastic decrease in poverty and inequality over the past 20 years. On the other hand, access and quality of education has been also increased. However, regional economic crisis and slowdown of global economic growth in 2014-2015 negatively affected socioeconomic outcomes of population as a whole and poor in particular.

## 4.1 POVERTY REDUCTION AND SOCIAL INCLUSION

Since 2015, proportion of population living below the national poverty line has dropped by 9.7%<sup>5</sup>, creating a good basis for a 20% reduction in poverty by 2030 (SDG 1.2.1). The decrease was noteworthy among the rural population. Considering the gender, poverty among both men and women decreased by 10.7% and 8.7% respectively. Despite the recent progress, one fifth of the total population still lives below the national poverty line. At the same time, extreme poverty increased from 3.8% to 4.5%. Therefore, more active economic and social policy is needed to decrease proportion of population living below the \$1.90 per day to less than 1% by 2030 (SDG 1.1).

The wide gap between different income groups of population still persists in Georgia. The share of bottom 40% in total income is less than 10% (bottom 20% earns less than 5% of total income). Country aims to narrow existing socioeconomic gaps between different income groups by accelerating

*Reduction of Absolute Poverty against 2015*



*Reduction of Absolute Poverty during 2015-2019*



<sup>5</sup> Absolute poverty was at 21.6% in 2015 and stood at 19.5% in 2019.

the income growth of bottom 40% of population at a rate of 13% by 2030 (SDG 10.1). The target is partially achieved as corresponding indicator was 11% in 2019, which is significant improvement over 5% in 2015. Though, the proportion of people living below 50% of median income increased, indicating that differences in economic welfare of "median" and "average" Georgian widened (SDG 10.2). Only population aged 60 and above shows the marginal improvement, while the negative changes were observed among sex and other ages.

The works of the Georgian Government aim to create a stable policy to support poor and socially vulnerable people. The primary mechanism for supporting poor families is the **Targeted Social Assistance (TSA) Program**, which provides cash and non-cash transfers to population in need. As of March 2020, up to 458 thousand people (or approximately 12.3% of population) is receiving TSA, which is by 51 thousand people more compared to March 2015 (SDG 1.3). Though, existing programme meets only the half of demand for social assistance. Other important measures of social protection include state pensions/compensations, benefits for demographic improvement and high mountainous regions privileges, utility services subsidies, social assistance packages for persons with disabilities and veterans, social rehabilitation and childcare state programs, assistance to internally displaced persons (IDPs), refugees and environmental migrants. Providing social assistance is an important tool to combat poverty in Georgia.

Georgia prioritizes the improvement of social security net for vulnerable groups. Social expenditure has the biggest share in the government spending, accounting for more than one fifth of total. Proportion of total government spending on essential services such as education, healthcare and social protection has been increasing in recent years (SDG 1.A.2).

*People Receiving TSA*



## BOX 1 INTERNALLY DISPLACED PERSONS (IDP) HOUSING PROGRAM

The program aims to resolve the problem of permanent housing for IDPs and includes acquisition of apartments from private developers in newly constructed buildings, constructing the new apartment buildings in regions of Georgia, acquisition of private houses in rural areas of Georgia and rent subsidies. As of 2019, long-term housing has been provided to 41 thousand IDP families, which is significant improvement compared to 32 thousand IDP families in 2014. By maintaining the pace of progress in this direction, country will easily reach the SDG target of providing long-term housing to 50 thousand IDP families by 2030 (SDG 1.4.2.2). Since 2013, Georgia is implementing a separate resettlement program for environmental migrants. Combined with additional social transfers and financed vocational and higher educational programs for IDPs, environmental migrants, students residing in occupied territories, Georgia is supporting social inclusion process of these people.

### FUTURE STEPS TO IMPROVE SOCIAL PROTECTION SYSTEM IN THE COUNTRY

Despite progress, social protection system still requires further advancement. The Covid-19 pandemic has also shown significant shortfalls in provisioning suitable social services to the most vulnerable groups of the country. Therefore, the Government of Georgia considers of assessment and revision of the national social protection system that would also include not only central level, but also social assistance programmes provided at the local level. Special emphasis will be put on the PwDs. The country is now in the process of elaboration of the housing policy document and its action plan in order to put forward unified vision and strategy, which would serve as a basis for handling of the problem.

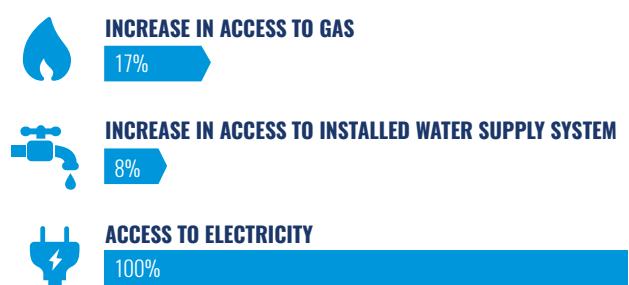
### SPATIAL DISPARITIES

Georgia belongs to the list of countries with a high level of inter-regional differentiation in terms of access to basic infrastructure, productivity and incomes. There is a clear disparity between the capital city Tbilisi and rest of the country. In 2018, GDP per capita in Tbilisi was nearly double of the region with the second-highest GDP per capita and more than triple of the poorest region.

As for the urban-rural dimension, the unemployment rate in rural areas is far below than in urban areas, however these statistics can misleading as less than 2% of all those employed in agriculture are hired workers and earn decent wages. The rest

are self-employed (or, rather, under-employed) in low-productive subsistence agriculture. In addition, rural areas and high mountainous regions of Georgia still lag behind the rest of the country in terms of access to sewage systems, roads, central water and gas supply, quality healthcare and education services. To address these gaps, Georgia accelerated water supply rehabilitation and gasification projects in recent years. As a result, since 2015 the share of households provided with central system of gas supply has increased by 17%. From 2015 to 2018 the access to installed water supply system has also increased by 8%, although the number may be even higher as much as the numbers indicated only accounts registered households (subscribers). As for the electrification, nearly 100% of Georgian population has access to electricity services since 2012 (SDG 1.4.1).

#### Access to Basic Services



## BOX 2 DEVELOPMENT OF HIGH MOUNTAIN REGIONS

Government implements additional measures in order to improve the quality of life in high-mountainous regions of Georgia, which experience a severe shortage of jobs, public services and modern infrastructure. In 2015, the Law on Development of High Mountain Regions was adopted that grants special status of mountainous to 1737 settlements and provides tax exemptions to 418 enterprises and additional benefits to the existing national social and health assistance to 246 thousand people (7% of country's population). To improve living standards and demographic dynamics in Georgia's highland areas the new Strategy on the Development of the High Mountainous Settlements of Georgia (2019-2023) was developed. According to the 2-year action plan about GEL 700 million additional funding will



be spent on rehabilitation of roads, water supply and sewage systems, preventive measures for reducing damage caused by natural disasters, gasification, spreading internet and setting common electronic system of information flows management, setting solid waste transfer stations, rehabilitation of kindergartens, schools, museums, cultural heritage and outpatient facilities, modernization of tourism infrastructure

## HUNGER, FOOD SECURITY AND AGRICULTURAL PRODUCTIVITY

Ensuring food security becomes one of the key priorities in the country' socio-economic agenda. Since 2009, the country has managed to reduce prevalence of stunting among children under 5 years by 50% (SDG 2.2.1). At the same time, 6% of children were overweight and less than 1% wasted in 2018. In addition, a higher prevalence of stunting is observed among girls and among children in rural areas.

MICS established the prevalence of blood lead levels (BLL) in children (2-7 years) and assessed the quality of drinking water in households. MICS results indicated that 41% of 2-7 year olds suffer elevated blood lead levels and 25% of the population use E. coli contaminated water sources. MICS results also demonstrated that 73% of children aged 6-23 months do not receive a minimum acceptable diet; 69% of children in Georgia are subject to violent methods of upbringing.

Food and non-alcoholic beverages account around 30% of consumer basket in Georgia. In 2018, the

share of food consumption expenditure in total household consumption expenditure was at 43%. Thus, adopting measures aimed to limit extreme food price volatility by ensuring the proper functioning of food commodity markets has high importance.

Since 2013, Government of Georgia has implemented number of sub-sectoral policies to support sustainability and competitiveness of agricultural sector. Furthermore, the Government of Georgia supports development of agriculture, through cheap loans, development of product processing, agricultural insurance and support of young entrepreneurs in agriculture. This is done in scope of Produce in Georgia Program (Box 11).

The country has now approved long-term policy document - Agricultural and Rural Development Strategy for 2021-2027. Its three main cornerstones are: (i) increased competitiveness, (ii) sustainable use of natural resources, maintenance of ecosystems and climate adaptation and (iii) effectiveness of food safety systems in all agricultural sectors. To reach these goals the strategy aims 29% increase in agricultural output and 36% increase in



### BOX 3 ARDA AND UNIFIED AGRO PROJECT

In 2019, "Agricultural and Rural Development Agency" (ARDA) was established (on the basis of different institutions) which aims to promote rural development and to create an environment that will contribute to higher and sustainable production of high-quality goods. The agency implements variety of projects initiated currently administering the "Unified Agro Project". This includes wide variety of state programmes with focus on improving access to financial resources, promoting investment in agriculture, adapting modern technologies and enriching human capital:

- "The Preferential Agrocredit" supports establishing of new businesses and increasing capacities or modernization of production processes in existing companies by subsidizing interest payments on loans granted by commercial banks for financing primary agricultural, food processing and storage activities.
- "Plant the Future" is the co-financing program of perennial gardens, nursery gardens, and the installation of anti-hail systems and well/borehole pumping stations. These measures aim to increase food self-sufficiency and enable export production, improve quality of the production of raw material base processing industry, and stimulate Georgia's new gardens and fruit-growing sector development.
- "Agroinsurance" is agricultural insurance co-financing program, which aims to minimize production risks and thus stabilize farmers' incomes, encourage investment, and improve the competitiveness of agricultural production. Since the beginning of the program in 2014, about 60 thousand farmers have used the program to purchase insurance.
- Other important measures implemented under "Unified Agro Project" aim to facilitate Georgian tea production and enhance its export capabilities within the state program "Georgian Tea", agro-processing, storage facilities and use of modern agricultural machinery through co-financing schemes, and export of Georgian Agro products through promotional means.

From 2013 to 2019, total 75,670 unique beneficiaries of state programs under Unified Agro Project invested in agricultural sector in Georgia (50,237 in 2013-2016), while the nationalized SDG target is to increase this number to 80,000 by 2020 (SDG 2.3.1).

monthly earnings of the rural households (SDG 1, 8, 10). Furthermore, the strategy also entails movement towards protection of ecosystems and greater climate change adaptation. This is pursued with adoption and implementation of sustainable forest management plans for all forests and 25% increase in protected genetic resources (SDG 13, 15).

With near 40% of total population living in rural areas and engaged in agriculture, the role of agriculture and rural development is essential to provide a safe, secure and affordable food supply to the Georgian population. Agricultural share (primary production) in GDP has decreased by years: from 2015 to 2019

the agriculture, forestry and fishing GDP at current prices increased by 17% but at the same time,

the share in total GDP decreased from 9% to 7%. It should be also mentioned, that from 2015 to 2019, the agriculture, forestry and fishing output at current prices increased by 18%.

The development and modernization of infrastructure as well as fostering business development in rural areas are additional measures towards increasing agricultural productivity. It also includes investments in **water management, irrigation and land melioration**. Additionally, it plays important role in the minimization of the negative effects of climate change and other natural phenomena by prevention of floods and droughts. Large-scale rehabilitation of the existing melioration infrastructure began in 2012. By 2019, as a result of the program, the meliorated and drained land area has nearly tripled and nearly achieved the nationalized target to

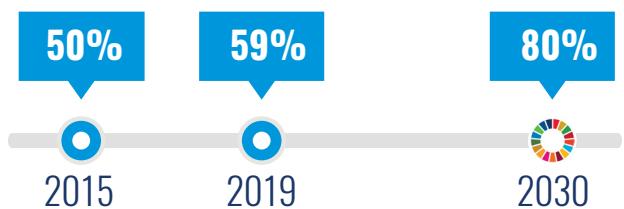
increase meliorated area of to 169 500 hectares by 2020 (SDG 2.4.1.1).

Within “Mobile extension” project farmers, cooperative members and students in different regions of Georgia were trained on animal husbandry, bee-keeping, fruit growing, viticulture, veterinary, phytosanitary measures and other topics. In 2015-2019, more than 8,100 farmers were trained and up to 14,000 farmers were provided with consulting services during this period.

However, there are still unresolved challenges in the sector. Land fragmentation is one of the main causes of poor performance of agriculture. Up to 80% of agricultural holdings have area less than 1 ha, which usually are divided into several parcels.<sup>7</sup> Many of those land parcels are uncultivated or cultivated using outdated methods. To address this problem the government-initiated land registration reform in 2016, which aims to stimulate land market development and responsible land governance, enabling efficient use of land, and enhancing productivity. By 2030, country aims to increase the proportion of total adult population with secured

legal rights to land to 80% and the number of women with **land registration** by 10-15% (SDG 1.4.2.1). Since 2015, Georgia has made significant progress in this process as share of total adult population with registered lands has increased from 50% to 59%, while the share of registered land owned by women increased from 35% to 38%.

*Share of total Adult Population with registered lands*



*Share of registered land owned by women*



<sup>7</sup> Agricultural Land Registration Reform in Georgia (ISET Policy Institute, 2018)  
[https://iset-pi.ge/images/Projects\\_of\\_APRC/Policy\\_Paper\\_-\\_Agricultural\\_Land\\_Registration\\_Reform\\_in\\_Georgia\\_GEO.pdf](https://iset-pi.ge/images/Projects_of_APRC/Policy_Paper_-_Agricultural_Land_Registration_Reform_in_Georgia_GEO.pdf)

## 4.2 HEALTHCARE SYSTEM

Ensuring healthy life and promoting wellbeing for everybody are one of the key ingredients of achieving sustainable development of society. The special emphasis should be paid to increasing life expectancy, reducing common killers associated with child and maternal mortality, reducing premature death due to incommunicable diseases, providing efficient funding of health system, ensuring universal health care coverage and "the right to health", and addressing various persistent and emerging health issues. The health status of Georgia's population has followed the trends observed in the rest of the WHO European Region for the past three decades. Georgia has made a noticeable progress on a number of health indicators, while some challenges still remain.

### LIFE EXPECTANCY, MORTALITY AND SEXUAL AND REPRODUCTIVE HEALTH

The average life expectancy at birth (LE) experienced gradual increase from the beginning of 2000s, and annual growth was quite substantial after 2015. The average LE of women in 2018 was 78.2 years, while the same measure for men amounted to 69.7 years and these indicators are 1 and 0.9 years higher compared to 2015, respectively.

Since the adoption of the 2030 Agenda in 2015, Georgia has made a significant improvement in terms of **maternal and infant mortality rates**. This improvement is associated with number of successful reforms and initiatives that have been carried out in the past several years. Particular attention has been paid to the reforms that were devoted to reducing child and maternal mortality and improving health conditions of these groups: (1) the *National Immunization Program (NIP)*, which considered prophylactic vaccinations based on the national calendar; (2) the *State Health Insurance Program (SHIP)* for children aged 0-5 years, which was then integrated into the *Universal Health Care Program (UHP)* and provided necessary funding for the corresponding health expenditures; (3) the *State Program for Maternal and Child Health (SP-MCH)*, which aims to mitigate maternal and new-

born mortality, reduce the number of preterm births and congenital anomalies, and increasing financial and geographic access to the high-quality medical care services.

In 2016, the country launched an electronic system for monitoring the health care of children and their mothers, which made it possible to continuously monitor and evaluate health conditions of pregnant women from the first antenatal visit to childbirth.

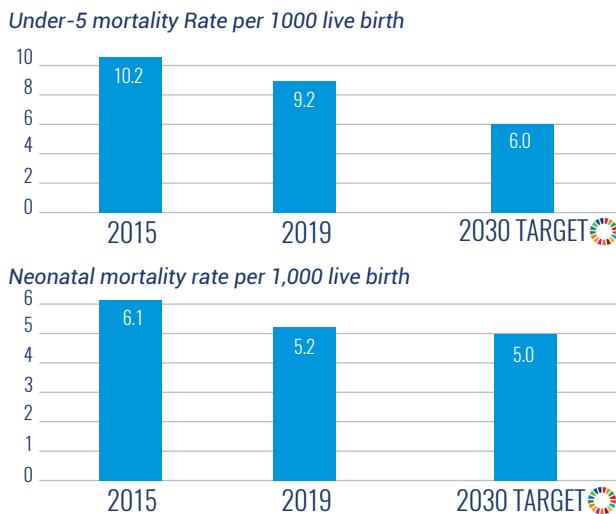
There are 82 perinatal service providers in the country that comply with the regulations adopted by the Government of Georgia with regards to infrastructure and medical equipment. There are 142 inpatient care providers of perinatal services, 304 polyclinic-outpatient facilities and 1267 rural physician. In addition, the government has developed two strategic documents: *The National Maternal and Newborn Health Strategy (2017-2030)* and a 3-year *Action Plan (2017-2019)*. The following strategy aims to eliminate preventable death of mothers and newborn/stillbirths by 2030 (ICPD +25 Georgia Country Repost, 2018<sup>8</sup>).

As a result of these policy measures and other objective reasons, child and maternal mortality rates experienced notable reduction in the recent years. Based on the latest estimates, the under-5 mortality rate in Georgia has declined from 10.2 per 1,000 live births in 2015 to 9.4 live births in 2019 (SDG 3.2.1). The progress has been made in reducing the infant mortality rate from 8.6 per 1,000 live births in 2015 to 7.9 per 1,000 live births in 2019, and the neonatal mortality rate from 6.1 per 1,000 live births in 2015 to 5.2 per 1,000 live births in 2019 (SDG 3.2.2) - both of these indicators are lower than 12 per 1,000 live birth in 2010 and reaching the lowest level ever recorded converging to the corresponding indicators of developed countries.

Certain progress has been achieved in reducing the country's maternal mortality ratio (MMR). According to UN inter-agency estimates, the MMR has declined from 40 per 100,000 live births in 2010, to 25 in 2017 (SDG 3.1.1.), which still puts Georgia among few countries in the EECA region with rates above the regional average. Georgia has made a significant improvement in access to sexual and reproductive health care services, making these issues

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<sup>8</sup> ICPD +25 Georgia Country Repost (2018) "Five-year Progress Assessment of the Implementation of the International Conference on Population and Development Programme of Action in Georgia".



one of the key priorities of Georgia's health care agenda. However, services related to sexual and reproductive health and modern contraceptives still need to be more sustainable. According to 2018 MICS, the proportion of the reproductive age women (aged 15-49 years) having access to the modern Sexual and Reproductive Health methods was 33 % 2019 (SDG 3.7.1), while the adolescent birth rate (aged 10-14 years; 15-19 years) per 1,000 women was quite high 51% in 2015 and 44% in 2018 while it is aimed to decline by 40% until 2030 within the SDG framework (SDG 3.7.2).

## DISEASE CONTROL AND TREATING INFECTIONS

Georgia remains to be a low prevalence country with **concentrated epidemics** among key population and achieved a significant progress in treatment outcomes and managed to successfully stop HIV/AIDS spreading (HIV prevalence in general population is low 0.4%) by employing effective state programs for HIV/AIDS prevention and control, such as the *HIV/AIDS Prevention and Treatment Program, Safe Blood Program, and Prevention of Mother to Child Transmission (PMTCT) Program*. The main purpose of these programs was early detection of the new HIV/AIDS cases to reduce spreading of the infection and make treatment more accessible and effective for patients. Over the last several years, Georgia conducted voluntary testing for HIV/AIDS of different groups (e.g. pregnant women, blood donors, prisoners and other risk groups) within the frame

of various state programs, and provided services (e.g. voluntary counseling and testing) for key population (e.g. PWIDs, MSM, SWs<sup>9</sup>). The main target of the country is to reduce the number of new HIV infections per 1,000 uninfected population to 0.125 by 2030 under SDG framework (SDG 3.3.1). Despite the important positive developments achieved in HIV control, Georgia continues to overcome a number of serious challenges government recognizes importance of strengthening the health system, the application of patient-centered approaches with appropriate patient support, with adequate funding and strengthened governance.

In addition, Georgia made a remarkable progress on the reducing incidence of tuberculosis (TB) and hepatitis C, while dealing with high level of hepatitis B incidence remains as a challenge. Despite noticeable progress, the prevention and treatment of tuberculosis remain an important concern of Georgia's health care system. **Tuberculosis** incidence per 100,000 population was 75 in 2015, which in 2018 was reduced to 52.2. However, the corresponding indicator is higher than Georgia's targeted level of 15, which is supposed to be achieved by 2030 (SDG 3.3.2). However, the country started to implement the *State Program for Tuberculosis Management (SPTM)*, which aims to reduce the incidence, mortality and spread of infection in the community, prevent the development of resistance to anti-tuberculosis drugs, and increase geographical and financial access to the relevant services. Since 2015, the state has fully ensured the availability of the first-line antihypertensive and anti-tuberculosis medications for patients.

Significant progress has been achieved in the prevalence of **tuberculosis in Penitentiary system** – reducing incidence per 10,000 prisoners from 114 to 42 between 2015 and 2019, which is already in line with the SDG target of having prevalence less than 100 per 10,000. Moreover, the number of newly registered TB cases decreased from 50 in 2015 to 33 in 2019 (SDG 3.3.2.1).

One of the areas, where Georgia experienced quite remarkable progress in the last decade was the elimination of **hepatitis C** by implementing a *Hepatitis C Elimination Programme (HEP)* (more detailed analysis will be provided in Box 4). The incidence of this infection per 100,000 people decreased from

<sup>9</sup> SW refers to the Sex Workers; PWID - people who inject drugs; MSM - men who have sex with men

## BOX 4 HEPATITIS C ELIMINATION PROGRAMME

For many years the identification and treatment of hepatitis C (HCV) was one of the most concerning issue for Georgia's health care system. In April 2015, in collaboration with biopharmaceutical company Gilead, Georgia started hepatitis C elimination program aiming at achieving 90% reduction in prevalence by 2020 and finishing the elimination process by 2021 (this program was one of the first in the world). The program implies providing the latest generation of the expensive medicines to the infected people (free of charge). HCV elimination program also fully covers screening, diagnostic and treatment monitoring studies.

In the first stage, the program was focused on providing treatment to the people with advanced liver diseases and at a high risk for hepatitis C-related morbidity and mortality. By April 2016, 30.8% of the HCV-infected people registered for the program and started treatment, out of which 69.2% completed the treatment, and 82.6% of them had no detectable virus after at least 12 weeks of treatment. From May 1, 2015 to February 28, 2019, there were scale up of testing and 54,313 patients were treated within the program (approximately 1,000 patients per month since mid-2017). In addition, under national HIV and hepatitis C elimination programmes country introduced tandem screening for HIV and HCV for drug users and people receiving harm reduction services within the Global Fund to Fight AIDS, Tuberculosis and Malaria's HIV programme in Georgia. The hepatitis C elimination programme can be considered as a successful large-scale project, which could be good example for other countries to reduce prevalence of hepatitis C.

71 to only 17 during 2014-18 (SDG 3.3.4.1). Within penitentiary system, the share of prisoners, who underwent treatment among the prisoners diagnosed with hepatitis C was raised to 94.1% in 2019, compared to 9.6% in 2015. (SDG 3.3.4.2). However, throughout Georgia, treatment of the hepatitis B remains challenging - the incidence of hepatitis B per 100,000 people increased from 37.1 in 2015 to slightly higher level - 41.5 in 2018 (SDG 3.3.4)

### PREVENTION OF THE PREMATURE MORTALITY

One of the priority areas, where Georgia has a lot of room for further improvement is a **premature mortality from non-communicable diseases** that should be reduced through an effective prevention and treatment, together with promotion of the mental health and well-being. The mortality rate attributed to the cardiovascular disease, cancer, and chronic respiratory diseases experience slight increase during 2016-18 period, while the mortality rate from diabetes decreased slightly, but still lags behind the SDG target.

The country has a significant advancement in a strengthening prevention and treatment of **narcotic abuse**. The coverage of treatment interventions (**pharmacological, psychosocial and rehabilitation and aftercare services**) for substance use disorders - the number of patients on opioid replacement therapy was 15% in 2015 and then increased to 25% in 2019, while the country aims to raise this measure to 60% before 2030 (SDG 3.5.1).

Smoking is a leading cause of multiple diseases, including cancers, heart attacks and stroke, and respiratory diseases such as chronic obstructive pulmonary disease. The daily smoking rates have decreased in most OECD countries over the last decade, from an average of 23% in 2007 to 18% in 2017. In Georgia, though, smoking rates even have risen slightly during this period - the **smoking prevalence** in Georgia was 28.8% in 2015, which then increased to 29.9% in 2017. However, government has implemented various reforms devoted to the notable reduction of the smoking prevalence, reaching to 20% by 2030 (SDG 3.a.1). In May 2017, Georgia adopted *Tobacco Control Law (TCL)* and new regulation entered into force on 1st of May 2018. The law prohibited smoking in buildings, educational institutions (and nearby territories), cafes, bars and restaurants, and public transport. Furthermore, the law also limited marketing activities, banned (or expected to ban in the future) placement of tobacco on the store shelves (or in any publicly visible place), and increased the size of health warning text on the cigarettes package (from 30% to 65%). Tobacco producers were also prohibited from donating to various social and cultural events. In parallel, the Government increased an excise tax multiple times in accordance to Euro directives.

Despite the range of policy interventions (such as developing and implementing the *National Traffic Safety Strategy*, and a *National Road Safety Action Plan*) and pronounced improvement in the last ten years, **road safety** remains as an important threat

for Georgia's public health system. In 2019, the death rate due to road traffic per 100,000 people amounted to 8.6, which was 7.6 unit lower than the same indicator in 2015. Furthermore, significant progress has been achieved in terms of road traffic injuries per 100,000 people, which was reduced from 247 in 2015 to 185.2 in 2019 (SDG 3.6.1). Nevertheless, the Georgian Government has been consistently following National Road Safety Strategy and its annual Action Plan of 2019, towards five primary objectives: (1) improving the technical conditions of vehicles, (2) ensuring effective execution, (3) ensuring safe infrastructure, (4) providing an effective response to a traffic accident, and (5) raising public awareness in this regard. The new strategy document is being developed currently.

## HEALTH CARE COVERAGE, OUT OF POCKET EXPENDITURE, AND QUALITY OF THE HEALTH CARE SERVICES

The introduction of the state-funded *Universal Health Programme (UHP)* gave an access to a basic package of health service to those who had not previously been insured. The percentage of population **covered by health insurance** or the state health care system was 100% in 2016, and only slightly declined to 99.9% in 2019 after making the state health system more targeted to the vulnerable groups (SDG 3.8.1.2). Moreover, Georgia had an improvement in providing a consultation to the people who had need for it. The percentage of population who said they had some health problems for 6 months for any reason and consulted at a health facility was 76.6% in 2014, which in 2017 increased to 84.4%. This figure is in line with the SDG target of 85%, which is supposed to be achieved by 2030 (SDG 3.8.1.1). Further initiatives are being implemented in order to reduce out-of-pocket expenditures (more information is provided in the Box 5). Furthermore, the country has started and is underway to introduce uniform tariffs for hospital services.

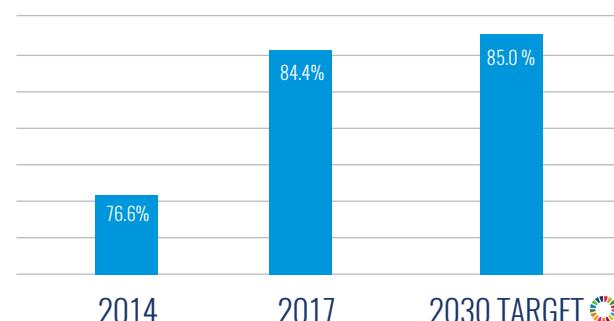
*Road Traffic Injuries per 100,000 population*



In addition, Georgia has a significant achievement in terms of **qualification of medical personal**, and quality of health care services. In 2019, the country developed a Postgraduate and Continuous Medical Education Strategy and Nursing Strategy, as well as prepared and approved more than 190 guidelines and protocols. Furthermore, important steps have been taken to improve the quality of continuous medical education programs, and ensure financial access to the medical education activities. These measures are responsible for improving the quality of health care services. There is an active work undertaken to gradually introduce a mandatory system of continuous medical education (CME).

The Government of Georgia is also planning to start the telemedicine project in the pilot municipalities, and introduce the new selection criteria for the primary health care centers at the municipal level. Georgia has begun construction and rehabilitation of the rural outpatient clinics. In 2019, more than 200 outpatient **hospitals were built and equipped**, and the restoration process is expected to be fully completed within two years. Furthermore, the primary health care reform has been underway since 2019, and will continue to improve infrastructure and equipment of the primary health care institutions. In 2019, the country has started to introduce the *Good Manufacturing Practice (GMP)* and *Good Distribution Practice (GDP)* standards, ensuring the **high quality of pharmaceutical products** that are in circulation within the country, and promote the exports of the medicines from Georgia to the partner countries.

*Percentage of population who said they had some health problems for 6 months for any reason and consulted at a health facility*



## BOX 5 THE UNIVERSAL HEALTH CARE PROGRAM

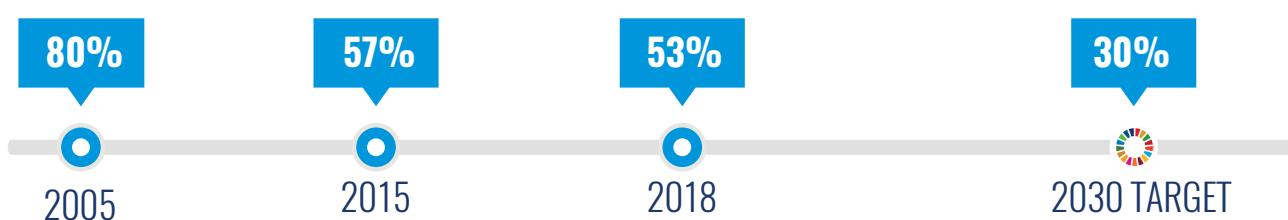
In order to make the basic package of health care services accessible for everyone in line with the LNOB and reduce out-of-pocket expenditure for the whole population of Georgia (not only covering the most vulnerable groups – pensioners, students and people in social protection scheme), the Universal Healthcare Program (UHP) was introduced in 2013. Under this program, the state took the responsibility to cover primary health care services, planned and urgent outpatient services, emergency inpatient services, planned surgical operations, delivery, and treatment of oncological diseases. UHP also covered residents of occupied territories (despite their nationality), who receive treatment in any regions of the country. Therefore, the main purpose of the program was to leave no one behind and to reach every household in the country.

In May 2017, the Universal Health Care Program moved to service stratification based on income groups and medication funding<sup>10</sup>. In July 2017, Georgia launched a state program providing medicines for the treatment of chronic diseases for poor families, which was integrated into the Universal Health Care Program in 2020. In order to improve the quality of the service, selection criteria have been set for the universal health care outpatient care providers from 2020.

The major challenge of the program was increasing coverage of the public health insurance without threatening sustainability of the Government budget and ensuring proper quality of the health care services. The public spending on health (the percentage in general budget) varied from 4% to 7% during 2008-2014, while this number reached to 8.8% in 2016, which is consistent to the international experience of moving towards the universal health coverage. On the other hand, UHP significantly increased the level of utilization of the medical services (ambulatory visit per capita increased from 2.3 in 2012 to 4 in 2015; hospitalizations per 100 people increased from 8 in 2012 to 12 in 2015).

The Universal Health Care program softened the burden of households' health care expenditure – out-of-pocket (OOP) expenditures were reduced from 80% in 2005 to 57% and 53% in 2015 and 2018 respectively (still considerably high level of OOP expenditures could be explained by high expenses on pharmaceuticals that is not covered by the program) (SDG 3.8.1.3). According to the WHO European Health Report, Georgia's Universal Health Program was recognized as a successful program. Furthermore, UNDP's survey, conducted in 2014 shows that 80.3% of beneficiaries were satisfied with ambulatory services, while 96.4% of surveyed beneficiaries were absolutely satisfied with the hospital emergency care (UNFPA, 2020; ICPD +25 Georgia Country Repost, 2018).

*Out-of-pocket (OOP) expenditures*



<sup>10</sup> Citizens with an annual income more than 40,000 GEL are not eligible for the UHC program; Citizens with a monthly salary more than 1,000 GEL, but an annual salary less than 40,000 GEL, and not having private insurance are eligible for only the limited package of the UHC Program.

## LABOUR ADMINISTRATION SYSTEM

The Government of Georgia made significant steps for advancement of labour administration system and particularly, workplace safety standards. In 2015, after absence of almost 10 years, the Department of the Labour Inspection was established. Since then, many successful steps have been taken in terms of ensuring occupational safety, and health in the workplace. The department initially carried out hundreds of recommendations across the country, aiming at raising awareness and preparing the ground for the stricter inspection process. In 2018, the Parliament of Georgia has adopted a Law of Georgia on Labour Safety. In the same year, the joint monitoring groups were established in the construction sector to monitor the violation of labour and/or technical/construction safety norms, and prevent accidents. The new regulation had a positive impact in terms of improvement of the working conditions and reduction of the fatal cases. In 2019, the number of fatal cases in the workplace decreased by 24% yearly, while the number of injuries was reduced by 16% compared to the previous year. Later, the country increased the frequency of inspections - from 40 to 100, which is in line with the ILO methodology of having 1 inspection per 20,000 employed population. Georgia plans to gradually increase the areas and coverage of the labour inspection through enhancement of the institutional mechanism that have been already established so far. In addition, Georgia successfully introduced the new rules and recommendations to prevent spread of the COVID-19 in the workplace, and provided an effective monitoring of the compliance with these rules.

## 4.3 EDUCATION

Georgia has made noticeable progress in reforming the education and science system in recent years. The country managed to undertake a number of successful reforms transforming the post-Soviet education system to the new one, which would be in line with the modern world standards and be competitive in the international market. In the reforming process, Georgia has overcome corruption

in the education system (by introducing the United National Examination System, which ensures transparency and equal access to the higher education), significantly improved accessibility and affordability of higher education, updated and enhanced national curriculums, improved infrastructure of the education institutions, introduced teachers' certification programs, and planned to popularize vocational education. However, the quality of education and training service and the link of the education to the labour market (skills mismatch) remain as common problems of Georgia's education system.

Besides, the entire education system, including line ministries and related governmental bodies, are now constantly provided with timely, accurate, reliable and high-quality data by the EMIS (Education Management Information System) which is also responsible for creating the efficient information management systems in General, Vocational and Higher education.

The Government Programme assigns priority to the education to ensure sustainable human capital development. Moreover, the budget expenditure on education increased from GEL 818 million in 2015 to almost GEL 1.6 billion in 2019. To improve education system and overcome its challenges, the state developed a new unified strategy for education and science for 2017-21, which is based on the ongoing reforms in the country and addresses all areas of education and science: preschool, general, vocational and tertiary education, adult education and science. The strategy is based on the principle of lifelong learning (LLL) and aims at achieving high level of accessibility and quality of the education at all levels.

## PRESCHOOL EDUCATION

Preschool education is critical for every child as it represents foundation for further growth and development. Therefore, investment in childhood development is crucial not only for children's short-term wellbeing but also for achieving sustainable long-term economic growth. The total enrolment of young children in preschool (69.5%) in Georgia is

<sup>11</sup> The United Nations Children's Fund's (UNICEF) "Study On Quality Of Early Childhood Education And Care In Georgia", 2018  
<https://www.unicef.org/georgia/media/1046/file/Preschool%20Quality%20Study.pdf>

<sup>12</sup> Georgia's school system consists of elementary (6 years, 6-12 age level), basic (3 years, 12-15 age level), and secondary (3 years, 15-18 age level) or alternatively vocational education (2 years). Students must have secondary education certificate and pass Unified National Exams (UNE) to enroll in an accredited higher education institution, based on their scores.

lower compared to the European countries (95%). Moreover, enrolment rates are even lower for ethnic minority population (33%), vulnerable groups (39.7%), and people living in the rural areas (46.8%) (UNICEF, 2018). However, participation rate in organized learning, one year before the official primary entry age was 89.6% in 2018 (of which male was 87.5% and female - 92.2%). Proportion of the children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being was 89.6% in 2018 (the same indicator was 90.8% for male and 88.5% for female) (SDG 4.2.1).

Significant changes have been made in terms of legal regulation of pre-school education. In 2016, Georgia adopted the law on early and pre-school education, which made it possible to return education functions to kindergartens (to prepare for school) after almost 7 years of gap. Later, in 2016, Georgia has taken the responsibility to gradually adopt the new national standards for preschool education, and even introduced four set of standards a year after: (1) professional standards for preschool education; (2) early and preschool education standards; (3) preschool WASH standards; (4) nutrition standards for preschool, which aim to overcome key challenges of the preschool education:

## PRIMARY EDUCATION

The number of people without **primary education** is very low in Georgia. 2014 General Population Census shows that among the population 25-64 years of age, only few thousands of people had no primary education and about three out of four youngsters in the age of 15-17 years attended **secondary education** (attendance was higher for females rather than males)<sup>72</sup>. However, percentage of the primary **school dropout/status suspension** was 0.36% in 2015, which was increased to 0.49% in 2019. The same measure for the secondary school declined from 0.88% to 0.82% between 2015 and 2019 (SDG 4.1.3). The main reasons behind the school dropouts could be (1) early/child marriage, (2) social and economic hardship of their families, (3) job undertake, and (4) neglect of the child's best interest (Public Defender's report, 2017)<sup>73</sup>.

During the recent years, Georgia prioritized **improving education infrastructure**, such as WASH<sup>14</sup> facilities, and school transportation. The government created the Educational and Scientific Infrastructure Development Agency (ESIDA), which was responsible for developing infrastructure and introducing new technologies in the

## BOX 6 THE PROJECT – “TELESCHOOL”

The global pandemic of the COVID-19 created new challenges for the national education systems in the whole world. The social distancing and massive restrictive measures have made the great majority of the countries to close down the kindergartens, schools, professional education centers, and universities, and to move to the online teaching. Georgia is among the successful countries adopting the necessary measures to ensure maintaining inclusion of all vulnerable groups in the teaching process, and leaving no one behind.

The project “Teleschool” was created during the Pandemic, and offers TV lessons to those school children who do not have an access to the internet and computer (mostly living in the rural areas). The program was started on March 30, 2020. Television lessons are designed for each class by subjects, and are conducted in both Georgian and ethnic minority languages – Armenian and Azerbaijani. The TV lessons are simultaneously translated by sign language interpreters as well. In addition, sporting activities are offered to the students in between TV lessons. The proposed TV program also includes educational cognitive programs and film screenings.

<sup>13</sup> Public Defender Office's "Situation of Children's Rights in Georgia 2017".

<sup>14</sup> WASH is an acronym that stands for "water, sanitation and hygiene".

study process. The quality of school infrastructure experienced noticeable improvement and modernization in the recent years, while the adaptation of schools to the students with different disabilities remains a challenge. Despite moderate progress, the proportion of fully adapted schools was 6.7% in 2019 (4.3% in 2018), but the share of schools that are partially adapted (adapted bathroom, ramp and / or elevator, resource room) reached 52% in 2019 – an evident increase compared to 39% in 2018 (SDG 4.a.1).

In addition, since 2013, Georgia has launched the program of providing free textbooks to the school children, and by 2019, the number of students who were able to obtain the textbook within the program reached to 520,000.

**Despite the significant progress, the quality of the primary and secondary education still remains as a major challenge of the Georgia's school education system - the share of students with the low achievements in all three subjects (Science, Reading, and Mathematics) was at 48.7% in 2018.**

Recognizing this challenge, as part of the reform process, Georgia has pushed for scaling up of **Teachers Professional Development Trainings (TPDTs)**. The program places a special emphasis on promoting technology-enriched teaching, as well as the development of pedagogical competencies that are the priorities in the 21st century (e.g. sustainable development, climate change, global and digital citizenship, democratic competencies, entrepreneurial competencies, media literacy, and digital literacy) <sup>15</sup>.

In addition to popularizing the teaching profession, attracting qualified young professionals, and providing high quality of education services, the country has started to gradually increase teachers' salaries. The basic salary of the school teacher has increased by 65% compared to the same measure in 2013. In 2019, up to GEL 105 million was allocated for school teachers' salaries, of which GEL 75 million was provided to the teachers who reached retirement age willing to voluntarily leave their profession (one-time cash prize from the state as a reward – a total salary of two years).

There was on average 20% increase in the remunerations of the school directors, administration-technical personal, including school doctors, and specialists supporting inclusive education between 2013 and 2019. The country also plans to provide series of trainings for the school directors, and special emphasis will be placed to develop an effective management in an emergency situation.

The access and quality of the inclusive education has been constantly increasing in the last 5 years. As of May, 2020 more than 9,000 special needs students have been using the inclusive educational services, delivered by more than 1,400 specialists in the country. The alternative and sensory curricula have been elaborated and are now being run in the country.

## BOX 7 INTERNATIONAL EDUCATION CENTER

In order to support best performer students to gain higher education in the top universities all around the world, the government of Georgia established **International Education Center (IEC)**. The initiative aims to provide young people with an appropriate skills and knowledge complying with the best international standards and development priorities of the country. The principles of funding are fairness, transparency, and ensuring healthy competition.

The initiative experienced notable progress between 2014 and 2019 - the number of issued scholarships increased from 77 to 850, while the number of covered countries and scholarship programs raised from 14 and 3 to 40 and 12, respectively. In addition, IEC includes 5 international partners and its budget increased from GEL 3.8 million to GEL 7.3 million between 2014 and 2019.

<sup>15</sup> In 2019, 31,269 teachers were retrained.

## TERTIARY EDUCATION AND SKILLS MISMATCH

The tertiary education system of Georgia has undergone significant transformation over the past decade. The country integrated into the European Higher Education Area (EHEA) and European Research Area (ECTS) by developing three-stage system of higher education, introducing the European Credit Transfer and Accumulation System (ECTS), enacting internal and external quality assurance systems, and created and then revised the National Qualification Framework (NQF). In addition, Georgia defined the priority areas of the undergraduate program funding mechanism<sup>16</sup>, launched infrastructure development program of the higher education, developed standards and criteria of authorization of the higher educational institutions and procedures for the accreditation of educational programs, and introduced programs financing doctoral studies.

According to the 2014 census, 26.7% of the population has a higher education degree, while 17.4% has a professional education degree. The percentage of employed high school graduates among total number of high school graduates was 62.4% in 2017, which slightly increased to 62.8% in 2018. Whereas these numbers for hired and self-employed high school graduates were 48% and 14.7% in 2018, respectively (SDG 4.4.1.2).

In spite of the thorough reforms, the link of the education with the labour market is among the main challenges of Georgia's education system. The study of European Training Foundation (ETF) shows that Georgia is characterized by both **over-qualification and under-qualification of workers (skills mismatch)**. In terms of occupational mismatch, about 36% of people having tertiary education worked in semi-skilled occupations in 2016. Furthermore, significantly higher mismatch was observed among men rather than women (46% versus 26%). While only 9.4% of the upper secondary education graduates were employed in elementary occupations (requiring manual skill level). Therefore, this is common problem for graduates to work in a job that differs from their education field<sup>17</sup>. Notable mismatch between the demand and supply for higher education workers in Georgia<sup>18</sup> could be explained by industrial structure of the Georgian economy – only few jobs require higher education (e.g. demand on higher education workforce is limited in the two largest industries in Georgia – agriculture and trade), while a significant portion of the workers have a tertiary education. Furthermore, workers with higher education may lack vocational skills that are required for their job locations.

In order to promote employment of Georgian citizens, in 2019, the State Employment Support Agency (SESA) was established, under the administration of the MOLHSA, which has multiple functions, including the promotion of research activities to identify current trends of the labour demand and supply, and categorize promising professions in the Georgian labour market and ensure Active Labour Market Policy (ALPM). In addition, the Labour Market Information System (LMIS) has been created, which envisages providing information to the stakeholders about the growth or reduction of the specific sectors of the economy, latest trends of the labour market and requested skills and professions.

<sup>16</sup> The program aimed to finance professions that are demanding in the labour market but less popular at universities to match labour market needs.

<sup>15</sup> In 2019, 31,269 teachers were retrained.

<sup>17</sup> For example, only 17% of workers in the tourism sector were the graduates of the vocation education program in 2017 (European Training Foundation, 2020).

<sup>18</sup> In 2010, 31% of jobs requiring vocational education skills would not be filled by workers with vocational education, while 22% of unemployed people with higher education degree would not be able to find a job requiring tertiary education in Georgia (Rutkowski, 2013).

## **BOX 8 PREFERENTIAL TREATMENT FOR DISADVANTAGED GROUPS**

One of the key principles during the implementation process of the educational reforms is to ensure equal opportunities for everybody, including the people living in the occupied regions as well as ethnic minorities, in line with LNOB.

To achieve this goal, Georgian Government provided major programs to overcome the challenge of ethnic minorities having limited access to tertiary education. Since 2010, Program 1+4 created an opportunity for ethnic minorities to learn Georgian language and have better access to the tertiary education (1-year public language course and 4-years learning at the higher education institutions). According to the recent assessments, this program involved 5,400 ethnic minorities, out of which 45% were females (participants mostly were from Tbilisi, Kakheti, Samtskhe-Javakheti, and Kvemo Kartli). These programs play an important role in integrating ethnic minority population into Georgian society.

Furthermore, the Georgian Government aims to develop education opportunities for the population living in the conflict regions. For that purpose, special programme has been designed. The importance of the program in terms of equal access of education and LNOB is quite pronounced considering the fact that before implementation of the program, residents of the occupied regions were not able to acquire education that would be recognized internationally and satisfy global education standards (institutions in these regions are not even involved in the Bologna Process).

The above-mentioned programmes enable target students to pass unified national exams (university entry exams) in their native language and get enrolled in the bachelor programs. In particular, the university entrants, who were unable to participate in Unified National Examinations due to unlawful closure of Enguri Border line, are eligible to be enrolled in desired state higher education institutions and educational programs (Bachelor / Master's Degree Programs). In addition, the state will finance the students within maximum amount of state tuition / master's grant.

Besides, as a part of targeted measures for vulnerable students in 2019, the "Post-School Education Preparation Program" was launched ensuring the right of higher education for the population of Georgia's occupied territories. The program was developed for the residents of the occupied territories who, during last 2 years have been studying and received secondary general education at general education institutions located at the Georgian occupied territories and their education has been recognized by the rules and procedures defined by the Ministry.

Within the framework of the program, beneficiaries have undergone an intensive training course in order to continue their studies in higher education programs. On the basis of funding provided by the government, the beneficiaries were provided with scholarships, housing (if needed), all the necessary conditions for study and training materials. Upon successful completion of the exam, eligible individuals will be enrolled in a higher education institution for a Bachelor, Integrated Teachers' Education, Veterinary, Medical / Dentist education programs.

## VOCATIONAL EDUCATION AND TRAINING

Potentially vocational education and training (VET) is another solution, which facilitate youth transition, alleviate poverty and inequality, and reduce skills mismatch. Therefore, modernization of VET became as one of the top priorities in the sustainable development agenda of Georgia.

Georgia has launched VET reform, which consists of various initiatives aiming at increasing quality of vocational education, ensuring compliance of programs with the labor market needs, and improving reputation of the VET institutions (more detailed description is provided in the Box 9) and creating a new vocational education management information system (by EMIS). Since 2013, Government of Georgia started full funding of VET students in state vocational education institutions. The number of students financed by the state program was 8,320 in 2013, which was increased to 11,124 in 2016 (the number of students with disability financed by state increased from 53 in 2013 to 270 in 2016).

Georgia also has managed to improve geographic accessibility to the vocational education covering all regions of Georgia with at least one VET provider in each region. In addition, the country implements the Vocational Skills Development Sub-Program for Schoolchildren, which aims to promote the continuity of education, and deepen cooperation between vocational and general education. Within the program, 8-9 grade students in the public schools are offered the professional orientation courses, and 10-12 grade students are offered the certification courses. In 2019, the program was named as one of the best practices in Europe by the Education and Training Foundation (ETF). According to the Tracer Study of 2015 VET Program Graduates, the percentage of employed or self-employed vocational education graduates was only 47%, and this number increased to 62% among 2018 VET Program Graduates (of which 11% was self-employed), which is in line with targeted 60% expected to be achieved by 2030 (SDG 4.4.1.1). However, there is a gap between male and female participants in terms of employment – 54% of the female graduates were employed/self-employed, while employment rate was higher among male graduates and amounted to 70%.

Georgian Government (in accordance to the Georgian Constitution and the Law on General Education) ensures transparency and equal access to general education for all Georgian citizens throughout their life in line with LNOB. Access to general and vo-



## BOX 9 VOCATIONAL EDUCATION AND TRAINING (VET) REFORM

Since 2013, Georgia launched Vocational Education and Training (VET) reform with the adoption of the Strategy of Vocational Education and Training (2013-2020) and corresponding Action Plan that contemplated systemic transformation in vocational education by ensuring compatibility between the vocational education and labour market demands, reforming education programs, elaborating new professional programs with employer engagement, and encouraging innovative learning by providing innovative training laboratories in the state professional education institutions. The reform aims to increase youth involvement in the labour market, overcome skills mismatch problem and match labour market demand on certain professions and supply of qualified candidates with an appropriate knowledge from education institutions, and ensure proper engagement of everybody in line with LNOB. The VET reform has laid a legal groundwork for the increased permeability of VET and eliminating a 'dead end' in the education system, which is considered to be a stepping stone in increasing the attractiveness of VET. In the reform process modular teaching and short-term training cycles have been introduced, which has increased VET flexibility and has enhanced VET choices.

In addition, concept of the public-private partnership was considered as a central aspect of Georgia's professional education reform. Employers were directly involved in the development of professional standards, and sectorial councils composed of employers provide validation of professional standards and programs. In 2016, "work-based teaching" concept was piloted and dual education programs were introduced that should noticeably enhance employment and self-employment opportunities.

In addition, the professional education system developed new mechanisms for private sector participation to renew the skills of the adult population and meet the demands of the labour market by granting the right to the private companies to provide short-term professional training/retraining programs, co-founding colleges and/or outsourcing management.

Since 2019, Georgia has started to internationalize vocational education system by: (1) identifying and

*Percentage of employed or self-employed vocational education graduates*



negotiating with the international certification partners (e.g. Pearson, Cambridge); (2) strengthening English language teaching in the professional education centers in cooperation with English language provider international centers.

The country also prepared a research tool and guideline, and provided supplementary funds (on top of the typical voucher) for professional education of the people with disabilities and/or special education needs.

In order to ensure the commitment to LNOB in VET, since 2016, professional education became accessible for the other vulnerable groups:

- ethnic minority population by giving them an opportunity to pass exams in Russian, Armenian and Azerbaijani languages, and then take a Georgian language course;
- parolees and probationers by providing training courses for them;
- students with IDP status by covering their transportation expenses, and promoting their self-employment providing working tools and equipment.

Vocational Education has been further strengthened in Penitentiary System after establishment of the Vocational Training Center for Convicts under the Ministry of Justice of Georgia. The Center, aims at increasing vocational training opportunities, encouraging convicts to participate in respective activities and supporting their employment/self-employment within penitentiary institutions.



cational education represents priority within penitentiary system as well. Hence, through the Availability of Education for the Accused and Convicted Persons Programme, juvenile convicts in penitentiary establishments enjoy the opportunity to study the subjects as provided in the national curriculum. Moreover, they are able to participate in the graduation ceremony and United National Examination for the university entrants, and thus, inmates in Georgian penitentiary institutions have also access to higher education (Bachelor; Masters) as well as to the vocational education. Since 2014, approximately 2582 convicts have participated in more than 41 various vocational education programs. As a result, if the percentage of prisoners involved in the education (including higher education) and / or vocational training programs was only 3.1% in 2015, this number increased to 12% in 2019 moving closer to the targeted 30%, which is supposed to be achieved by 2030. The progress was even more pronounced for female prisoners – rising from 53.7% in 2015 to 77% in 2019 (SDG 4.3.c.1).

In the wake of Covid-19 pandemic, the VET colleges are now in the process of adapting their operating procedures for the development and accreditation of the VET programmes and acceptance of the entrants in distant manner.

## 4.4 YOUTH AND LIFELONG LEARNING

Weak participation of youth and high rates of youth unemployment remain particularly challenging in Georgia. According to different surveys, Georgian youth are challenged to proceed a smooth transition from education into the labour market, and more generally into adulthood and independence. Despite the notable decline of the youth unemployment rate from 2011, this indicator still remains as high as 30% (especially for females 35.3% and people living in the rural areas 37.1%). The proportion of youth (aged 15-24 years) not in education, employment or training (NEET Ratio) was 27.9% in 2014, which reduced to 26.9% in 2018. Furthermore, there was a notable gender gap in NEET Ratio – 23.2% for males and 31% for females in 2018 (as well as the small gap in urban/rural NEET ratio – 26.5% in urban and 27.4% in rural areas). The NEET ratio increases even further with age, reaching 31.6% for 15 to 29 age group in 2018 (SDG 8.6.1).

Georgia considers youth to be main sources of human capital development. The country plans to support strengthening youth capabilities, including developing services for NEETs. In 2019, the Government of Georgia established the Youth Agency and wide-scale reform process has been initiated bearing in mind leaving no one behind principle. The reform of the sector is aiming at forming the efficient and sustainable ecosystem for youth development, which will enable the youth to fully realize their po-



tential, to empower them to claim their own rights and to be actively involved in all areas of public life. The reform is oriented towards 9 specific directions:

1. Elaboration of national youth strategy 2025 and its corresponding action plan;
2. Support the municipal institutions to formulate and implement a rights-based municipal youth policy;
3. Institutionalize mechanisms for youth participation in decision-making processes;
4. Support youth-led organizations and initiatives;
5. Work on professionalization, recognition and standardization of Youth Work in Georgia;
6. Development of education-hobby system;
7. Development of regulatory framework of recreational youth activities (Including camps);
8. Development of Youth Information and Consultation System;
9. Support in development of entrepreneurial, digital and other key competencies of the youth.

The government has already made a significant progress in development of these above-listed directions. In particular, the parliament of Georgia with technical assistance from UN agencies based in Georgia, led by UNFPA Georgia developed a new youth policy concept 2030, which will become the main document determining youth policy development in Georgia for the next ten years. The Youth Agency of Georgia has already started working on the development of the national youth strategy 2025 that will be based on a new youth policy concept 2030. The development process of the strategy should be finished in the late autumn 2020. The Parliamentary Committee will maintain an oversight role scrutinizing the implementation of the new youth strategy.

The government supports youth-led organizations and initiatives as they are playing an important part in enhancing youth participation. As a part of ongoing reform, the agency has created a grant scheme for the regional youth organizations. It is planned to select with an open call at least one youth organization from each region of Georgia and to provide

funds to support implementation of their projects and at the same time provide capacity-building activities for them.

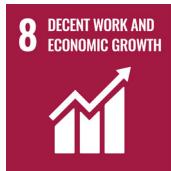
As part of the Youth Information system, the Youth Agency is working on the development of a website [youthplatform.gov.ge](http://youthplatform.gov.ge). The concept of the platform is to create an online youth center, which will be used to collect and spread information about all the opportunities available for young people in the direction of youth work, non-formal education, grant schemes, camps and so on. It will be used as a digital platform for structural dialog as well. And this site will also have features oriented to the needs of young people belonging to the NEETs group.

Following the recommendations of the Expert Mission from Council of Europe, the Youth Advisory Council has been established, which aims to engage youth into decision making process and deepen collaboration among governmental and non-governmental sectors in the field of Youth. This process highlights the fact that Youth Agency ensures responsive, inclusive, participatory and representative decision-making at all levels.

The Youth Agency has developed certified lifelong training programme for youth work practitioners as a first step for institutionalizing the profession of Youth Work in Georgia. Youth Workers, as the main labor force in the field of youth, will work in direction of strengthening the development process of young generation in the right direction, raise awareness about youth related issues, and engage youth in LLL processes.

Engaging youth into non-formal educational and Hobby educational activities, is important for the development of key competences for lifelong learning among the young population. Since September 2019, the Agency, based on the situational analysis, has drafted the strategy for the development of hobby educational system (Including youth camps), for ensuring better quality and accessibility of Hobby educational activities.

# 5. ECONOMIC GROWTH



Over the past 30 years Georgia went through large number of social and economic shocks. Despite these challenges the country managed to conduct large-scale institutional and economic reforms. These reforms resulted into a swift recovery and sustained macroeconomic stability after 2008 global financial crisis and the military invasion of the Russian Federation in Georgia, that resulted in 3.7% decrease in gross domestic product (GDP). Since 2009, Georgian economy has shown the persistent growth with average annual growth rate of 4.7%. Average annual growth rate of GDP per capita over the same period has followed the similar 4.9% average annual growth between 2009 and 2018.

The adoption of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) enabled Georgia to primarily set its commitment and priorities for the development in the long-term perspectives and as well as to track its progress of economic development in an inclusive and multi-dimensional manner. Moreover, it induced the public sectors to concentrate more on inclusivity of economic development and to ensure that no group of society is left behind in the reform processes.

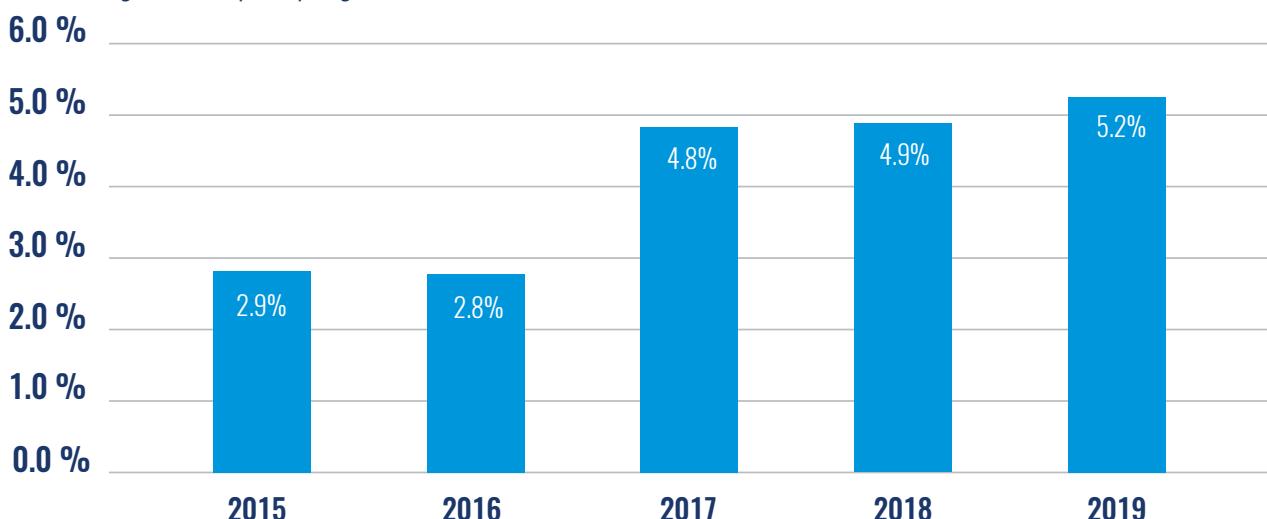
## 5.1 GROWTH

Since the adoption of the 2030 Agenda in 2015, GDP per capita in Georgia has been increasing with average annual growth rate of 4.1% in GEL (SDG 8.1). Substantial decrease in international oil prices from 2015 has slowed down the regional economic growth, negatively influencing Georgia's main trading partners. Notwithstanding this challenge the country managed to sustain the stable economic growth with GDP real growth rate of 5.1% in 2019 - GDP per capita reaching nominal USD 4,763. Georgia was moved from lower to upper middle-income countries by the World Bank classification.

Despite challenges due to depreciation of national currency, Georgian fiscal and monetary institutions managed to sustain macroeconomic stability with average annual inflation close to the targeted 3%, since 2015. Furthermore, the country managed to keep the stable budget deficit within the 3%.

An important challenge for Georgia will be the economic turmoil caused by the COVID-19 global pandemic. This has already been reflected in sharp decline in tourism revenues, as well as Georgian export and remittances - all constituting important parts of Georgian economy and internal demand. The global lockdown is expected to shrink the world economic (3% with the April estimates by the IMF) more than in the 2008-2009 recession. This will have its substantial impacts on the Georgian economy as well. Although, due to the strong macroeconomic fundamentals – low budget deficit, low debt to GDP ratio – Georgia is in a relatively good position to overcome this global challenge.

*Figure 3. GDP per capita growth rate*



## ECONOMIC STRUCTURE AND INCLUSIVENESS

Largest sectors of Georgian economy (based on share in 2019 nominal GDP) are wholesale and retail trade (14%), real estate (12%), manufacturing (10%), construction (9%), agriculture and forestry (7%), public administration, defense and social security (7%), transportation (7%), financial services and insurance (5%), while remaining share of the economy is distributed among all other sectors (29%).

Over the past years, Georgian economy has been transforming towards service sectors. The tourism sector has been increasing substantially with average annual growth rate of 10% in the period of 2015-2019, as Georgia aims to reach 7.9% share of tourism in its GDP (SDG 8.9.1). Furthermore, professional services and financial sectors have also been growing with the high rates of 9% and 8% respectively, over the same period. Agriculture and forest-

as well as support development of the SMEs, the Government of Georgia implements several important programs and policies in agricultural and manufacturing sectors, also in tourism industry. These policies are managed and implemented in scope of "Produce in Georgia" program (see Box 11), as well as various state programs to support agriculture and Georgian agricultural and rural development strategies, 2015-2020, 2021-2027 (see sub-chapter 4.2.3 on Sustainable Agriculture).

Although, as mentioned above, the absolute poverty has been decreasing substantially over the past 10 years, the problem of inclusiveness of economic growth is clearly reflected in relative poverty that has been stable with around 20-21% of the country's population. The Gini coefficient for Georgia in 2018 was at its lowest rate 0.37, however it has not changed substantively over the past decade. Observing the per capita income growth rates for the bottom 40% of the population shows more optimis-

## BOX 10 GEORGIA'S FISCAL TRANSPARENCY

Georgia has been a champion in ensuring the fiscal transparency, being among top 5 performers in open budget index since 2017. Open budget survey (OBS) assessment of 115 countries shows, that Georgia is on the leading positions in terms of the public budget openness. The assessment shows, that the country provides extensive information on the budget ensuring its transparency.

The more transparency ensures greater involvement of the public at large in formation of the country's budget. Furthermore, the country is also leading in terms of the budget oversight, this is primarily due to the strong and independent public audit institution – Georgian State Audit Office (see [www.budgetmonitor.ge](http://www.budgetmonitor.ge)). Relatively challenging aspect of the budget openness remains to be the public participation.

ry have shown 4.1% annual growth in 2015-2019. Mining and manufacturing sectors had also been increasing slowly with average annual growth rate of 3% and 2% respectively in the period of 2015-2019 (based on the GDP in constant 2015 prices). Inclusive growth remains a major challenge for the Georgian economy, as majority of Georgian employment remains in the sectors with relatively slow growth rates. To increase growth and productivity,

tic picture. The growth rate of income for this group of the population has doubled with 10.7% in 2018, compared to 5% in 2015. Georgia aims even larger growth rate of 13% by 2030. Such a significant growth will most definitely contribute to substantial reduction of poverty and more inclusive economic development.

## 5.2 LABOUR MARKET

To ensure more inclusive economic development Georgia aims to increase the labour share of GDP to 50% in 2030. While 2019 data shows the share to stand at 31%, high growth rates in service sectors ensure that stake of labour in the economy will increase substantially. Largest employer in Georgia is agriculture with 39% of employed workforce working in this sector in 2018. High share of employment in agriculture and low productivity of the sector is a challenge of the economy. However, it is important to note that the number of people employed in agriculture has been steadily declining in recent years, although the agriculture GDP calculated on average per employee in the sector is increasing. The number of people employed in agriculture decreased by 15% from 2015 to 2019 while the agriculture, forestry and fishing GDP increased by 17%. Average GDP calculated on average per employee in the sector increased by 38% during the same period, indicating the increased productivity.

Despite positive trends, in order to address the existing challenge, the Government of Georgia supports productivity and income growth in agricultural and manufacturing sectors. Furthermore, it also actively supports service sectors, especially tourism (See box 2 and sustainable agriculture section). The second, largest employers are retail trade and tourism sectors with 11% of employment each, as of 2018. Other large employers are also manufacturing and education sectors with 9% share in employment. Tourism sector employed around 193,000 people with 13% increase, compared to 2015 (SDG 8.9.2). The development of tourism sector supports decrease of income inequality, however annual seasonality in the sector still represents a substantial challenge. The government is working on development of four-season resorts in different parts of the country, including Svaneti and Adjara regions.

Since 2015, Georgia has managed to decrease its unemployment rate from 14.1% to 11.6% in 2019, creating a basis for meeting its 9.5% unemployment target by 2030 (SDG 8.5.2). Although Georgia has relatively high unemployment rates among younger population (with 30.8% unemployment among 20-24 years' age group in 2018), the country managed to decrease this rate (35.5 %) since 2015.

Unemployment among women is lower (10.1%), than that for man (12.8%) and Georgia has relatively high labour force participation (LFP) rates. However, substantial gender gap remains in LFP with 54.5% for women and 72.6% for man, as of 2019. Furthermore, gender pay gap remains a challenge in Georgia with 24.8%, difference between man and the women of similar characteristics<sup>19</sup> (SDG 5, 10).

To address inequalities between men and women in the workplace Georgia is actively working on the reform of the labour code and public service legislation. One of the challenging aspects is parental leave after childbirth. Labour legislation allows both maternity and paternity leave after childbirth, however it is not sufficiently used by fathers. Beside lack of awareness and cultural stigma, one of the contributing factors to this is lack of benefits and the gender pay gap that disproportionately incentivizes the maternity leave, compared to the parental leave. Georgia complies with the requirements of ILO Convention No. 183 in regard to the duration of the maternity leave, however compliance with the convention's provisions on the maternity leave benefits is still pending. This constitutes an important challenge as provision on the maternity and paternity leave benefits, such as paid leave is obligatory only for the public service, while private sector provides benefits on the voluntary basis. Furthermore, Georgia's social service agency provides one-time GEL 1,000 payment to the mothers working at the private sector. Considering the 183-day duration,

*Unemployment Rate*

**14.1%**

2015

2019

**11.6%**

**9.5%**

2030 TARGET

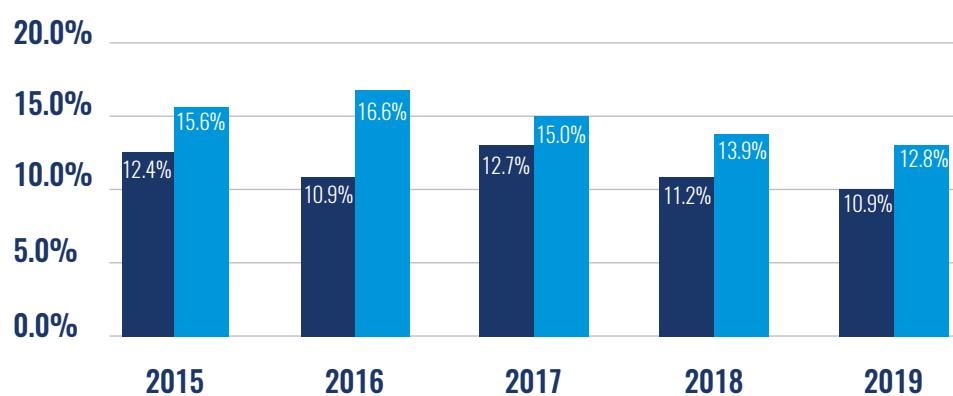
the payment from the social service agency represents only 21% of average salary for the women and is slightly below subsistence minimum. Ministry of Internally Displaced Persons from Occupied territories, Labour, Health and Social Affairs (MoILHSA) works in the tripartite working group with the trade unions and representatives of employers to produce needed amendments in the Georgian labour legislation. This process aims provision of sufficient incentives for the parental leave, support sufficient benefits during the leave and keep proper balance of the responsibilities between private and public sectors (SDG 5, 10.4.1.1). This effort is performed with the support of the donor community, especially from UN Agencies.

Georgia is characterized with very high self-employment rates that represent nearly half of the total employment in the country. Large part of this self-employed labour force works informally. Thus, protection mechanism of the labour code applies to the limited number of workers. This constitutes another important challenge for ensuring equal and nondiscriminatory treatment in the workplaces, as effectiveness of any labour policy is limited due to high rates of self-employment and informality.

The country is undergoing through reform of the labour market in scope of the EU-Georgia association agreement. The association agreement entails adoption of EU directives on labour legislation, anti-discrimination, gender equality health and safety issues. This transformation of Georgian labour market legislation will help the country to eradicate ethnic, gender discrimination and unequal treatment of workers, as well as ensure minimum safety standards and help workers to receive fairer treatment at the workplace.



*Male and female unemployment rate*





## BOX 11 PRODUCE IN GEORGIA



In June 2014 the Georgian Government launched a new **government program "Produce in Georgia."** The program's objective is to promote an entrepreneurial culture throughout the country by stimulating the establishment new enterprises and supporting the expansion of existing operations.

A state agency "Enterprise Georgia" is the key implementing partner of "Produce in Georgia" and is responsible for business support, export promotion and investment in Georgia. The agency promotes entrepreneurial activity in the country by supporting entrepreneurs - assisting with the creation of new enterprises as well as the expansion and refurbishment of existing enterprises. It also promotes the export potential of the country by increasing the competitiveness of local products and the overall volume of goods directed towards international markets. The agency is working to attract, promote and develop foreign direct investment in Georgia. As the moderator between foreign investors and the Government of Georgia, it ensures access to updated information, provides an efficient means of communication with Government bodies, and serves as a "one-stop-shop," supporting investors throughout the investment process.

Between 2014-2019, Produce in Georgia supported 359 projects. Total investment value of this support was - 783 mln. GEL, that took part in creation of more than 13 000 jobs. It also issued 59 mln. GEL subsidies and reinforced approval of loan financing worth 496 mln. GEL. In addition, between 2014-2019, the agency has also supported 136 projects in the hotel industry. Overall, Produce in Georgia supports wider transformation of Georgian economy.

## 5.3 SUSTAINABLE INDUSTRIALIZATION

Georgia works consistently in order to transform its economy towards larger share of manufacturing and service sectors. The country has liberal trade policy that aims to utilize opportunities of its free trade agreements to get integrated into the global value chains. Georgia is a member of the World Trade Organization (WTO) and currently has free trade agreements with the European Union (EU) and European Free Trade Association (EFTA), all countries of the Commonwealth of Independent States (CIS), Turkey, the People's Republic of China and Hong-Kong SAR, China. This puts the country in a unique position to serve as a connector between some of the largest economies of the world – China and the EU. Furthermore, Georgia also benefits from Generalized System of Preferences (GSP) with the United States of America, Canada and Japan. All these agreements create a fruitful basis for Georgia to become a trade and manufacturing hub.

Furthermore, Georgia is also working on the development of its trade and transit infrastructure. In 2017, Azerbaijan, Georgia and Turkey launched the Baku-Tbilisi-Kars railway link for freight and passenger transportation linking China to Europe. Georgia is also a part of the Southern Gas Corridor that will supply natural gas from Azerbaijan to Europe and represents one of the key energy transit routes for energy security of the EU. In addition, Georgia is actively building the east-west highway a major transit road of the country, as well as plans on building more stable routes on its north-south transit corridors (i.e. building a 22.7 km road and tunnels creating safer connection in the northern part of the country).

Beneficial investment environment, the trade routes and free trade agreements create a fruitful ground for development of Georgian manufacturing. The sector has relatively large share in Georgian economy – 10% of GDP in 2019 (share of 2019 nominal GDP). However, the country aims to increase the share of manufacturing up to 22% of GDP by 2030, though growth rate in the sector since 2015 has been relatively moderate. Currently, per capita value added of manufacturing is relatively low, standing at USD

272 in 2019. The major hampering factor for development of manufacturing is a skills mismatch and lack of qualified labour force (see sub-chapter 4.1.3)

Furthermore, with the support of international partners, Georgia works on development of Science, Technology, Engineering and Math (STEM) education. To develop STEM fields Georgia is actively supported by 140 mln USD compact from the United States, Millennium Challenge Cooperation (MCC) – Georgia. This enables greater partnership of Georgian and the U.S. public universities to provide better STEM education. In scope of this partnership San Diego State University is already working in partnership with three Georgian public universities (Tbilisi State University, Ilia State University and Georgian Technical University).

Beneficial business environment supports development of small and medium enterprises (SMEs) that play a major role in the country's economy. In 2018, SMEs generated 60% of the country's total value added. Furthermore, their share in manufacturing output also stood at high 48.7% (SDG 9.3.1.). SME development is one of the cornerstones of all government economic support schemes, such as Produce in Georgia<sup>20</sup>. As of 2018, Georgia also has 50.3% share of medium and high-tech industry value added (SDG 9.B.1).

### BOX 12 BUSINESS FRIENDLY ENVIRONMENT

Investment friendly business environment is one of the important characteristics of Georgia. The country is the top performer in the Doing Business survey of the World Bank being on the 7th place. Georgia has a simple tax system with only 5 types of taxes and total tax burden of 9.9 % of the profits. Furthermore, since 2017 Georgia has abolished corporate income tax (CIT) for those enterprises that will re-invest its profits into the company's activities.

<sup>20</sup> Between 2014-2019 Produce in Georgia has allocated roughly 47 mln. GEL to 6,212 projects from micro and small enterprises with 9,384 beneficiaries.

In 2017, government established Georgian Innovation and Technology Agency (GITA), that supports formation of ecosystems to develop all kinds of innovations and technologies (See Box 13). Georgian innovation and technology agency actively supports SMEs and scientific institutions to commercialize their innovative ideas. In 2019, GITA started EU financed 3-year technology transfer pilot program (TTPP) that aims to support commercialization of Georgian scientific results. In 2018, Georgia's research and development (R&D) expenditure constituted 0.29% of GDP and the country had 1463.8 full-time researchers per one million population.<sup>21</sup> This small number of the researchers is the result of transformation of the Georgian scientific community after collapse of the Soviet Union that resulted in substantial lack of financing for any scientific activities. Thus, the country lost large number of scientists to the "brain drain" and change of occupation. Scientific career had also become less attractive for younger generation and thus, decrease the inflow of new researchers. However, the new initiatives such as GITA and reforms in the higher education sector, especially development of STEM education, cultivates popularity of research career. Consequently, Georgia expects an increased number of researchers and R&D expenditure by 2030.

### **BOX 13 GEORGIA'S INNOVATION AND TECHNOLOGY AGENCY**

The Government of Georgia has prioritized knowledge based and innovation-driven economy development and has secured support from the World Bank Group (the Bank) for the Georgian National Innovation Ecosystem (GENIE) Project in the amount of US\$23.5 million. The main objective of the project is to increase innovative activities of the micro, small, and medium-sized enterprises (MSMEs), including startups, and individuals in Georgia and their participation in the digital economy.

Georgia is still in the early stages of developing a vibrant startup ecosystem. Georgia's Innovation and Technology Agency GITA (under the supervision of the Ministry of Economy and Sustainable Development) is the main coordinator and mediator of building the innovation Ecosystem in the country. Thus, the work of the Agency to actively support early stage growth-oriented enterprises, including innovation financing and skills development, is a vital component to building a foundation for an entrepreneurial ecosystem.

Recognizing that ICT companies are the fastest group to respond to the SDGs as they bring the better life for people, GITA offers free training programs in various ICT Skills development, like programing languages, cybersecurity, project management, network, design. Within the skills development program GITA has digitalized about 200 SMEs from different regions and business spheres as well, which helped them to increase their sales by 11%.

## 5.4 CONSUMPTION AND PRODUCTION

Over the past 5 years Georgia also took some active steps towards responsible production and consumption (SDG 12). The country is in the process of reforming its environmental policy. All major sectors are under the reform process including: water resource management, forestry, air quality and waste management systems. In 2016, Georgia adopted the 2016-2030 national action plan for waste management that defines key policy directions and targets that country aims to achieve. In scope of this action plan Georgia aims to substantially increase its recycling rates reaching by 2030: 80% for plastic, glass, paper and to 90% for metals. From April 2019, Georgia has also banned production and sale of single use non-degradable plastic bags pushing for less negative environmental impacts. Georgia has also taken action to close illegal and unsafe landfills. Since 2013, state-owned "Solid Waste Management Company of Georgia LLC" has closed down 23 unsafe landfills and rehabilitated 31 trying to minimize waste pollution and its negative impacts on ecosystems (SDG 6, 11, 12, 13, 15).

Georgia also plans a step further from the simple waste hierarchy to the circular economy. This is done through introduction of the extended producer

responsibility (EPR) policies in different sectors of the economy. Georgia's waste management code (adopted in 2015) and National Waste Management Strategy 2016-2030 (as well as its action plan for 2016-2020) include the provisions on implementation of EPR. However further steps have also been taken for its implementation across the economy. As of June 2020, the government adopted bylaws to introduce EPR schemes in four out of six sectors: (i) oils, (ii) tires, (iii) batteries and accumulators, and (iv) waste electrical and electronic equipments (WEEE). By the end of this year respective bylaws will be adopted for the remaining two sectors: packaging and End of Life Vehicles (ELVs),

It has to be noted, that to ensure success of this complex reform, in the process of designing the policies the government has led the process with the best practices envisaged under the SDGs, particularly leave no one behind. In scope of reform design, the substantial number of private-public dialogues has been conducted with enterprises of different sizes across all six sectors, local governments and NGOs. Furthermore, the government ensured active participation of other government institutions, such as the revenue service and the customs office (of the Ministry of Finance). In the future, active participation of these entities will facilitate provision of needed technical support to ensure fairness and accurate reporting in scope of the EPR schemes (SDG 8, 11, 12).



## BOX 14 ECO-TOURISM

Development of the eco-tourism is a priority for Georgia. The government has been working on advancement and expansion of the Protected Areas which is the best model for economic growth in remote areas – creating alternative income generation mechanisms, new job opportunities and preventing migration from mountains to lowlands etc.

Georgia is recognized as a country with a rich biodiversity, which insures the provision of ecosystem services that are necessary for the human life. The country is one of the centers of cultural plant origin and diversity with a high share of endemic species, landraces and their wild relative species. Though, the destruction and fragmentation of habitats together with overgrazing and desertification threatens the natural population of crop wild relatives. In addition, the absence of breeding and uncontrolled crossing with non-indigenous species puts aboriginal breeds of domestic animals and local populations under risks of extinction. Thus, the protection and restoration of Georgia's biodiversity is of utmost importance. In this regard, a special role is given to the protected areas of Georgia, which as of 2019 occupy 10.4% of the country and are expected to increase to 12% in the future. Currently, Georgia is in process of establishment of new protected areas, which will significantly increase the coverage of various ecosystems by protected areas. At the same time, establishment of **Emerald Network** started in 2008. Emerald Network in Georgia currently comprises of 58 Emerald sites. The area of the network is 1,285,974 ha and covers 18.45% of the country's territory. 44% of the Network overlaps with the protected areas of Georgia and 63.5% with the State Forest Fund. It is anticipated that by the end of 2020 the Emerald Network will be extended by approximately 5 sites.

Protected areas are essential instrument for preservation and protection of endemic species and provision of population with ecosystem services. Furthermore, the number of plant and animal genetic resources for food and agriculture secured in either medium or long-term conservation facilities has more than doubled since 2015 (SDG 2.5.1).



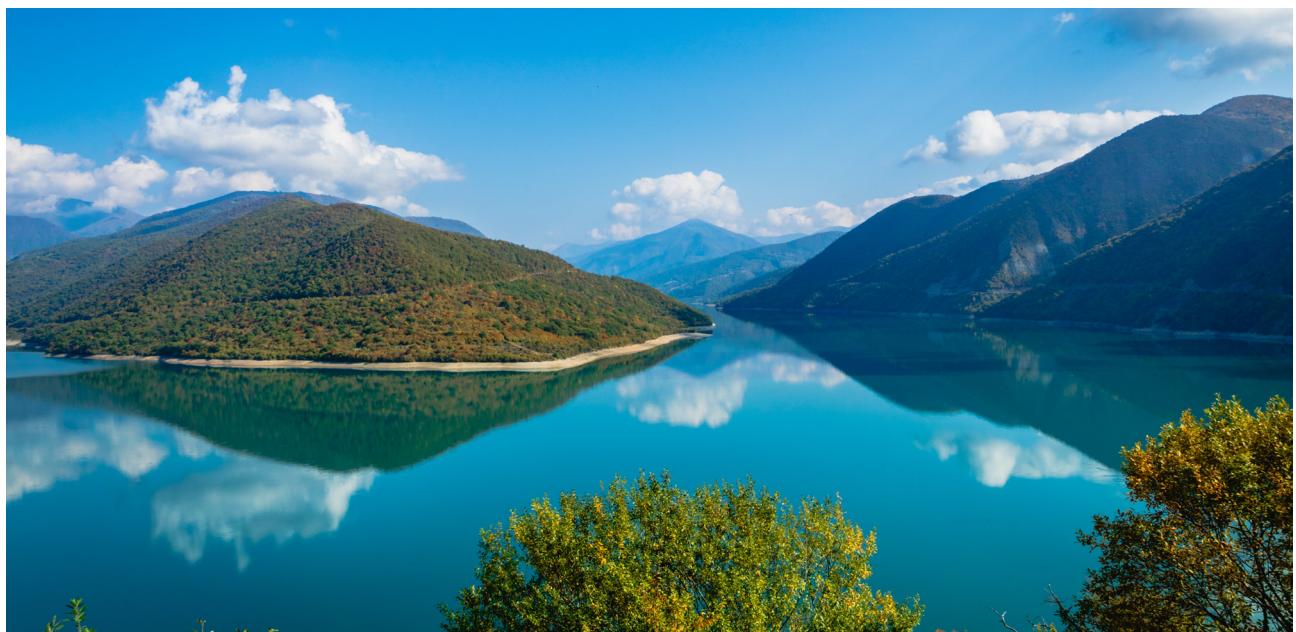
## 5.5 ENERGY

Being rich with hydropower, solar and wind resources, Georgia has a potential of transforming its energy systems towards renewable and sustainable energy. Total primary energy supply (TPES) of Georgia, in 2018, consisted of 24% renewable energy that was 18% hydropower and 6% biomass resources (SDG 7.2.1.1). Major energy sources used in Georgia are natural gas (42% of TPES) and petroleum products (26% of TPES). Georgia aims to reach 30% of renewable energy in TPES by 2030. This is an achievable target considering the country's potential in renewable resources especially hydro, solar and wind power generation. Georgia's energy intensity measured as the primary energy supply over GDP stands at 5.1 TJ per million GEL of GDP (SDG 7.3.1) that complies with the country's 2030 goal of 5.8 TJ per million GEL of GDP. However, further industrialization and growth of manufacturing sector could potentially increase the energy intensity.

Georgia's current potential for the hydropower development is not fully utilized. The country has also identified potential of building 1,450 MW installed capacity of onshore wind power, that can generate up to 4.2 TW/h of electricity. Georgia also has 1,900-2,200 hours of annual sunlight and global horizontal irradiance (GHI) of 1,000-1,600 kWh/m<sup>2</sup>.

In 2015 the Parliament of Georgia adopted a decree on Basic Directions of State Policy in Energy – identification of key strategic developments in the sector. To utilize this and ensure establishment of functioning energy markets, the government of Georgia signed the accession protocol to the Energy Community in 2016. Both, under the Association Agreement and the Accession Protocol the Government of Georgia took the responsibility to conduct several reforms in Georgian energy sector. The country is adopting the key directives and regulations of the energy community concerning electricity and the natural gas sector, including price transparency, creation of liberalized energy market and inclusive access of all customers to the market. In 2019, the Parliament of Georgia adopted a new law on energy and water supply that ensures implementation of the EU and energy community directives and regulations. Furthermore, the new law defines the term of vulnerable customers and creates a framework to ensure their access to energy and water supply. Moreover, the Government of Georgia adopted Energy Efficiency Action Plan for 2019-2020. Furthermore, in May 2020 Georgia has also adapted the laws on energy efficiency and energy efficiency in the buildings. These are the first steps creating legal framework for energy efficiency in the country.

In 2019, around 99% of Georgian population was connected to the power grid (SDG 7.1.1). Important to mention that the Government of Georgia, by sup-



port of the USAID/Energy Program has conducted inventory of the household permanently living in the villages not connected to the power grid and installed powerful solar panels in 16 municipalities. As a result, 207 households from 87 villages have now access to the electricity.

Furthermore, the access to natural gas has also been increasing substantially from 68% in 2015 to 75% in 2018 (SDG 7.1.3). Access of wider population to the variety of energy sources contributes to the decrease in energy poverty in the country. Furthermore, 59% of population relies on clean fuels and technologies (SDG 7.1.2). This is primarily due to the high share of the hydropower (up to 80%) in total electricity generation of the country. However, most challenging part for the energy consumption of Georgian population is high share of use of firewood, especially in the rural areas of the country. In 2017, around 78% of Georgian rural households used firewood as a main fuel for heating. Providing renewable and sustainable source of energy at an affordable price for households, especially in rural areas is a key challenge for Georgian energy policy.

To support increase in the use of renewable energy sources, Georgian National Energy and Water Supply Regulatory Commission (GNERC) has introduced a net metering policy for small scale power generating units. In 2019, total of 108 small scale power generators were involved into the net metering policy with total installed capacity of 1.2 MW. Furthermore, the Government of Georgia also introduced a new private-public partnership framework to attract and support the investment in larger power generation projects. Furthermore, the country also actively works on designing support schemes for renewable energy sources, including wind and solar.

## EFFECT OF THE COVID-19 ON ECONOMIC GROWTH

Since the beginning of the COVID19 crisis, the Government of Georgia undertook proactive and rapid measures to stop the spread of the virus. Like elsewhere, the crisis caused challenges for Georgian economy. According to the IMF's late assessment in the frames of the Sixth Review Under the Extended Arrangement, real GDP growth is expected to be negative 4% in 2020.

The most significantly affected sector of the economy due to the pandemic is tourism. Already in first quarter of 2020, income from the international visitors has declined by the 26%. It is anticipated that overall service export will shrink by 55% in 2020. Decline of the tourism will have negative consequences on the other sectors of the economy, including constructions and real estate.

In order to effectively continue managing the crisis and to mitigate the economic damage the country and its citizens faced, the Government began to mobilize, redirect, and coordinate donor assistance and utilize it to address the emerging needs and to recompense the damage caused by the pause of the economy. It should be noted that Georgia was the first country to receive increased funding from the International Monetary Fund under the pandemic. Successful negotiations with the IMF have allowed the country to attract significant financial resources from other donors.

In April 2020 the government presented the **anti-crisis plan** which represents a core relief package for the **private sector** and for the **citizens** that have suffered in the face of Covid-19.

In order to cushion the economy, the government introduced a number of relevant measures such as tax deferrals, monthly allowances and social assistance to vulnerable groups and those left unemployed, increased pensions for the senior citizens, extended credits from the banks operating in the country, covering utility costs for households and other financial assistance measures.

Relief measures were also introduced for the business entities, particularly connected to the tourism industry, including property and income tax payment deferrals and subsidies for small hotels to cover bank loan interest expenses. The 90-day period of car customs clearance for vehicle importers has been deferred until 1 September of this year. All legal entities were given the opportunity to restructure their loans.

In addition to the abovementioned horizontal activities, specific sector-based recovery plans have been developed in the areas such as agriculture, tourism and construction. These aim at supporting business actors and companies, as well as secure job-places in the respective economic sectors.

# 6. DEMOCRATIC GOVERNANCE



Democratic governance, alongside the other principles of the good governance, is a cornerstone of the Government's development agenda. To this end, the Georgian government intends to mainstream the human rights-based approach in all directions of the sectoral reforms and ensure that vulnerable and disadvantaged groups have proper and full access to the public services and goods. Important to mention that in 2017 Georgia has gone through constitutional reform transitioning Georgia to parliamentary system of governance with the parliament's expanded role for more rigorous oversight and scrutiny of government activities. Moreover, the Government is implementing wide and comprehensive Public Administration Reform, which based on European principles of public administration aims at improvement of the effectiveness, results-based management and transparent, open and corruption-free, professional public sector - a key prerequisite of a well-governing state.

Bearing in mind significance of delegation of decision-making authority to local government and engagement of local communities in decision making process, in 2019, the country has adopted Decentralization Strategy for 2020-2025 (accompanied with 2-year action plan). The strategy has been elaborated in participatory manner and ensured that the voices of the important stakeholders were heard. The policy document aims to strengthen local self-government with additional powers, and build its material and financial capacity, as well as develop reliable, accountable, transparent and results-oriented local governance. Furthermore, works have been conducted prior and in parallel of adoption of the aforementioned documents, one of the main project initiation, towards LSG efficiency is introduction of unified digital municipal service platform, which will be introduced for all 63 municipalities will capture 17 modules including project cycle management, spatial planning and asset management and thus will enable LSGs to manage their capital investments and fixed assets efficiently and transparently.

The government is finalizing implementation of Human Rights Strategy for 2014-2020 that aims to ensure full enjoyment of all human rights for people living in Georgia and rendering of duties related to the rights by state authorities. This strategy introduced the concept of human rights-based approach first time in national policy and expressed the aim of the government to apply that concept to national policies and programs. Now Government is working on the new Human Rights Strategy for 2021-2030.

## 6.1 EQUALITY

Achieving greater equality in protecting rights of all, including women and minority groups, is Georgia's aspiration towards 2030 Agenda. Georgia has passed a number of legislative amendments enhancing principles of equality before the law. Georgia's legislative framework overall is gender neutral. It does not contain explicit discriminatory provisions based on sex or gender. Moreover, within the reporting period, Georgia has made significant progress to refine the legislative framework and institutional mechanisms for achieving greater gender equality. At the same time, timely reporting on the adopted international obligations, such as the Beijing Declaration and Platform for Action (BpFA) and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) remains to be a challenge at the current stage. Increasing women's political (15%) and economic (56%) participation would be an important step towards achieving 50/50 world in 2030.

Building on the Law on the Elimination of All Forms of Discrimination and the ratification of the Istanbul Convention, the Government of Georgia has recently adopted the first-ever policy document on SOGI (sexual orientation and gender identity) rights as part of the National Human Rights Action Plan, which sets out to combat hate crimes, raise awareness about sexual orientation and gender identity, and deliver services tailored to LGBTQI+ needs. We look forward to firm commitments and swift, coordinated action to deliver on this plan.

State Strategy for Civil Equality and Integration 2015-2020 aims to achieve equality in Georgian society through the protection of ethnic minority rights and promotion of a society that is based on the principles of diversity and pluralism.

Promotion of equality and establishing discrimination-free environment is among the key priorities of the Prime Minister's Human Rights Council.

## GENDER EQUALITY

The principles of equality are enshrined in the Constitution. The Constitution also urges the state to take special measures to ensure the essential equality of men and women and eliminate inequality. In addition, the Constitution ensures the right to equality of all persons and prohibits discrimination based on any character. Apart from the Constitution, two laws provide important legislative guarantees for women and girls – the 2010 Law on Gender Equality (2010) established the first national gender equality machinery at the parliamentary level, and the 2014 Law on the Elimination of All Forms of Discrimination (Anti-Discrimination Law) mandated the Public Defender's Office (PDO) with its implementation authority (through judiciary). In addition, the following state strategies and respective action plans have laid an important ground work for women's empowerment: the 2014-2020 Human Rights Strategy and subsequent action plans, including the 2018-2020 National Action Plan (NHRSP) which also introduced the chapter on equality policy and combating discrimination; NAP on Combating Violence against Women and Domestic Violence and Measures to be implemented for the Protection of Victims (Survivors) (VAWG/DV NAP) and the NAP for the Implementation of the UN Security Council Resolutions on Women, Peace and Security (WPS NAP).

Georgia undertook the obligation to **end all forms of discrimination against all women and girls everywhere** (SDG 5.1). Georgia has made significant progress in putting in place the legal framework to promote, enforce and monitor equality and non-discrimination on the basis of sex (SDG 5.1.1). It introduced a new Constitutional guarantee of equality between genders, and the concept of essential equality in 2018. The anti-discrimination law was amended in 2019 strengthening the mandate of the PDO over private sector (the anti-discrimination mandate of PDO covers private sectors since the adoption of the law in 2014). In 2019, Georgia passed the amendments to the Labour Code and Administrative Violations Code making sexual harassment legally punishable at workplace and in public spaces.

### BOX 15 SOS APP



Public Safety Command Centre of the Ministry of Internal Affairs – 112, launched the mobile application in 2018, which is free-of-charge. It is innovative and high-tech service determining a user's location using GPS. The app includes an SOS signal and chat feature, so that if a user cannot talk, or if making a call would be placing them in danger, then they can either use the SOS signal or chat option. The app provides information in Georgian, English and Russian languages on available state services: the hotline, shelters and crisis centers.





Striving to **eliminate all forms of violence and harmful practices against all women and girls in the public and private spheres**, including trafficking and sexual and other types of exploitation (SDG 5.2), Georgia has taken a number of important measures both the legislation and policy wise.

In 2017, the Government of Georgia established the Inter-Agency Commission on Gender Equality, Violence against Women and Domestic Violence (the Inter-Agency Commission) to oversee the implementation of the gender equality, including VAW related, NAPs. Moreover, the Ministry of Internal Affairs of Georgia (MIA) established the specialized unit - Department of Human Rights Protection and Quality Monitoring - within its structure in 2018 to oversee investigations into and administrative proceedings on domestic violence (DV), VAW, crimes committed on the grounds of discrimination, hate crimes, trafficking and crimes committed by and/or towards minors.

PDO represents an important part of the national gender equality machinery as it plays the crucial role of independent monitoring of a full range of gender issues, including but not limited to carrying out regular monitoring of the women's reproductive health and well-being. The changes to Gender Equality Law in 2016 made it mandatory for gender equality councils to be created at local elected councils and a gender advisor to be appointed at each local executive's/Mayor's office. Most of 64 municipalities have created gender equality councils and the gender advisors have been appointed by all mayors in Georgia. The PDO has recently published an assessment of gender policy at the local level, which outlines the capacity of these councils.<sup>22</sup> A risk assessment tool was introduced in 2018 enabling law enforcement to evaluate risks for re-abuse by perpetrators and plan further measures to protect survivors. Only specialized prosecutors and investigators are entitled to handle domestic violence cases as of 2018. There are up to 200 specialized prosecutors and prosecution service investigators across the country who have undergone tailored trainings on DV and GBV.

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22 Read more: <http://www.ombudsman.ge/res/docs/2020061711084244176.pdf>

Institutional changes have been introduced to refine the healthcare system response to VAW/DV. Medical forms have been amended and Standard Operational Procedures have been introduced to ensure proper identification, documenting and referral of the cases of the violence by the primary healthcare professionals. Moreover, the government has ensured funding for the services for the victims of sexual violence.

Moreover, the State-funded Legal Aid Service provides free legal aid to survivors, including legal consultations, drafting of legal documents and court representation in protective order proceedings. There are five State-supported and three donor-supported shelters offering shelter, medical and psychological assistance, legal aid and rehabilitation. Five state-supported and two NGO-run crisis centers also operate in Georgia. To facilitate increased reporting of GBV, Public Service Development Agency (PSDA) under the Ministry of Justice (MoJ) undertook a study of bystander' behaviour as they witnessed the act of intimate partner violence and via applying the behavioural insights, explored the ways to encourage the bystanders to act. GPS electronic monitoring system (ankle bracelets) have been recently launched for perpetrators as part of the GBV elimination efforts.

Despite the achievements in the legislative and policy framework, significant challenges remain such as the establishment organizational mechanisms for sexual harassment reporting, united data collection on GBV. Intersectionality of gender-based violence and other grounds of discrimination need to be strengthened while designing and implementing policies to better protect LBT women, women with disabilities, rural women and/or ethnic minorities face multiple layers of discrimination and they are often more vulnerable to violence.

Georgia has shown progress in relation to **elimination of all harmful practices, such as early, child, and forced marriages and son preference and gender-biased sex selection**. The harmonization with the Istanbul Convention led to legal prohibition of early, child and forced marriages in 2018. Accordingly, the number of registered marriages involving girls under 18 years old has decreased to zero (as the law prohibits official registration of the marriages for the underage). However, based on the Multi-Cluster Indicator Survey of 2018 (MICS), the prevalence rate of the harmful practice of the Early/Child Marriage among women aged 20-24 still remains unchanged compared to 2010 (13.9% and 14%, respectively). The issue remains to be largely gendered phenomenon negatively affecting girls more than boys. Moreover, there is a clear pattern of increased prevalence of the harmful practices among the rural population (rural 25%, urban 8%). Overall, the existence of the harmful practices of Early/Child Marriage, inter alia, is substantially linked with the clearly gendered social norms prevailing in the society undervaluing women's role in the family and the society, as well as lack of sexuality education and stigma attached to the pre-marital relationships.



Moreover, the Ministry of Education, Science, Culture and Sports has reported the number of girls under 18 who dropped out from school in 2019. Even though this represents the 80% decrease from 2015, it still indicates that the underage girls get married without the official registration of the union and the government realizes importance of the further works in this regard.

The recent studies indicate that Georgian society has become more sensitive to inequalities, no longer perceiving it as a zero-sum game. It is obvious that well-balanced legislation has an immense impact on changing attitudes, as well as establishing practices for a more equitable society. However, transformation of social norms still remains a challenge for the country requiring accelerated gender transformative program agenda. The evidence suggests progress achieved towards changing people's perceptions regarding the importance of gender equality, equal distribution of work and the decision making within the families, but behavior change is still lagging behind.

In spite of the decreasing trend of the **registered abortion** cases from 2015, high rate of medical abortions remains as a major concern. Georgia has seen the trend to normalization of the Sex Ratio at birth (SRB) as a manifestation of the harmful practice of son preference and Gender Biased Sex Selection (GBSS) – the average SRB was 109 boys per 100 girls in 2015, which then was reduced to 107.6 in 2019. As research showed, decreasing trend could be explained by the combination of factors, such as increased fertility, economic improvement of the country, women empowerment, positive change improvement of situation in reduced poverty's and increased female employment opportunities in socio-cultural and gender value systems. Special recommendations have been approved by the MoLHSA, and annexed to the national Ante-natal Care Protocol in 2019, on ultrasound examination in the early stage of pregnancy (up to 14 weeks). It promotes ethical use of ultrasound technologies and discourages fetus sex disclosure (at the early stage of pregnancy) due to high probability of result inaccuracy.

Despite the downward trend in the sex ratio at birth (SRB), son preference is still prevalent in Georgia, and it varies across different groups. Compared to the capital city, the progress has been slower in some regions, especially in areas where ethnic minority population compactly reside. Higher levels of son preference are found among Armenian and Azerbaijani families in Georgia, while the lowest levels can be found among wealthier families and families relying on social assistance. Son preference becomes prominent with each subsequent birth and depends on the gender composition of the children in the family.

Challenges remain regarding women in politics in Georgia. Women made up 16% of Members of Parliament (MPs) elected in 2016 elections, which is the highest proportion of women in the national legislative body since the restoration of Georgia's independence in 1991. The outcome of the 2016 parliamentary elections represented the 3% increase of women in the Georgian. Women's representation in local self-government assemblies (representative bodies) also remains very low – though their proportion increased by 2% in 2017 (11.4% in 2014 and 13.4% in 2017). Out of 64 directly elected mayors, only one is a woman.

The problem is also of a cultural nature. Even though 30% financial incentives for political parties are currently in place, women candidates have not been put forward in sufficient numbers, leading to a slow progress. For example, women made up 37% of party lists for the proportional system, and only 18% of majoritarian candidates in the 2016 parliamentary elections. Among the mayoral candidates in 59 local self-governing municipalities, only 12 % were women.

The above-mentioned financial incentive was introduced in 2011. Namely, a party, which included at least two representatives of the opposite sex for every 10 candidates in the candidate lists for proportional system of elections would be entitled to an additional 10 percent in state funding. In 2013, the incentive was further increased to 30%, if at least three representatives of the opposite sex were

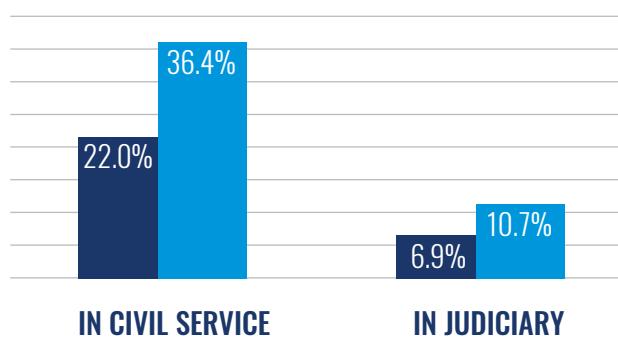
included for every 10 candidates. The 2018-2020 action plan of the Gender Equality Council (GEC) identified supporting the advocacy for legislative changes related to mandatory gender quotas as one of its priorities. Recent attempts, supported by the civil society, women's movement and 37 455 citizens, to introduce the mandatory gender quotas have not acquired enough votes in the Parliament.

Compared to 2015, the proportion of women in managerial positions has increased from 32% to 35.7%. In particular, the proportion of women in judiciary (5.5.2.2) and civil service (5.5.2.1) jumped from 6.9 % to 10.7% and from 22% to 36.4% respectively (2019).<sup>23</sup> The lack of information from the private sector does not allow the analysis of the full picture and impedes the understanding of the scope of the issue, and the respective progress foreseen by 2030.

*Proportion of women in Managerial positions*

■ 2015

■ 2019



**Women with disabilities** face additional barriers in accessing sexual and reproductive health and rights (SRHR). In 2019, the Parliament of Georgia undertook the *Thematic Inquiry on Accessibility of Healthcare Services for Women and Girls with Disabilities*, which aimed to bring voices of women and girls with disabilities into public discussions, and shed light to some of the pressing issues they face, including vis-a-vis SRH. Women and girls with disabilities residing in rural areas and regions densely populated by ethnic minorities face additional barriers related to overcoming physical distance and language barriers. The lack of physical accessibility of medical facilities and the stereotypical attitudes of the medical personnel were named as some of the key barriers to women and girls with disabilities

and their access to SRHR. For example, gynecological examination rooms and gynecological chairs throughout the country are not adapted for women in wheelchairs.

In order to address these challenges a number of strategies and policies related to human rights in the context of SRHR in Georgia, especially in relation to reproductive health, have been put forward, such as the 2018-2020 HR NAP, the 2017-2030 National Maternal and Newborn Health Strategy and a three-year Action Plan (2017-2019) and the 2016 Electronic Module for Pregnant and Newborn Health Surveillance (also called the "birth registry"). In 2017, a new module - the Virtual Contraceptive Consultation – was introduced as part of the medical university training, and the resource has been made available for sexual and reproductive health providers. Moreover, recently, the Government has presented to the Parliament a new Law on Persons with Disabilities, that envisions to significantly improve protection of the rights of persons with disabilities.

**Unpaid domestic work**, one of the main contributors towards the gender gap in employment and other gender-related economic inequalities, has not been targeted by nationalized SDGs due to lack of data. However, the Women's Rights and Gender Equality Chapter of 2018-2020 HR NAP recognizes it as a major challenge to women's economic empowerment and envisages the conduct of the survey measuring the unpaid care work, and the development of care strategy.

As for the employment culture, sexual harassment is being considered one of the invisible barriers to women's advancement at workplace. When they face this type of gender-based discrimination, their opportunities to get promoted, and earn more in higher paid positions are curtailed, impeding the elimination of gender-based inequality. The Georgian legislation prohibits sexual harassment both at workplace and public spaces. More specifically, Article 6 of the Gender Equality Law prohibits harassment and sexual harassment in the field of labour relations in general. The Anti-Discrimination Law amended in 2019 explicitly includes sexual harassment as a form of discrimination and covers the labour and pre-contractual relations. It is planned to increase knowledge of public servants about sexual harassment. To that end, Civil Service Bureau has

<sup>23</sup> The ranking system in Georgia is different from the international one, required by the SDG indicator 5.5.2.

included the issues of gender equality and sexual harassment as part of the code of ethics for civil servants and the respective training module. In addition, workshops and trainings will take place to raise awareness of civil servants on sexual harassment at workplace. It is also planned to include the private sector in the new HR NAP to measure the sexual harassment in both public and private spheres of employment.

Under the 2030 Agenda for Sustainable Development, the Georgian Government has committed to SDG Target 5.1 to undertake reforms giving **women equal rights to economic resources, as well as access to ownership and control** over land and other forms of property, financial services, inheritance and natural resources. There is a gender gap in the property ownership in Georgia, which is most evident in the ownership of agricultural land. A 12% point gender gap is observed for reported ownership and an 18-percentage point gender gap for documented ownership of agricultural land.

Even though the legislative framework affecting the property ownership and rural development are gender neutral, practical approaches are biased towards men. A significant percentage of male owners received their assets through allocation or gifts from household and non-household members while women mostly acquired assets through marital law



or custom. This can be partially explained by traditional perceptions on son preference and practices that men have privileges in inheritance even though women might have the legal rights over the assets. The awareness raising campaigns by the government on land registration reform (see sub-chapter 4.1.1) will continue targeting the rural population, including women, helping close the gender gap in the land registration.

## REDUCED INEQUALITY

Georgia qualifies as a country of high human development and ranks 70 of the 189 countries covered by the 2019 Human Development Index (HDI). Between 2000 and 2018, the country's HDI value rose from 0.669 to 0.786, an increase of 17.5 %. Life expectancy at birth increased by 3.2 years, mean years of schooling by 1.1 years and expected years of schooling by 3.0 years. GNI per capita grew by about 19.8 % between 1990 and 2018. However, the loss caused by inequality in Georgia is 12 %. Moreover, the HDI provides the Gender Inequality Index (GII), which reflects gender-based inequalities in three dimensions – reproductive health by measuring maternal mortality and adolescent birth rates, empowerment measured by the share of parliamentary seats held by women and attainment in secondary and higher education by each gender, and economic activity measured by the labour market participation rate for women and men. Other indices also provide important insights into gender-based inequalities. The 2019 Global Gender Gap Index of World Economic Forum (WEF) ranks Georgia at 74th place among 153 countries, with 61th place for economic participation and opportunity.

The Anti-Discrimination Law also explicitly prohibits **discrimination based on sexual orientation and gender identity (SOGI)**. Aiming to address the SOGI-based discrimination at the policy level, the Government of Georgia added the Equality and Elimination of Discrimination Chapter to the 2018-2020 HR NAP in early 2020. It introduces important commitments pertaining awareness and knowledge increase of hate-crimes committed on the basis of SOGI, discrimination in labour and pre- contractual relations, collection of segregated data and improvement of social and health services for the LGBTI+ community. The number of individuals who have requested of the PDO to establish facts of dis-

crimination based on one of the grounds prescribed by the law has been slightly increased from 95 to 99 applications in 2015 and 2018 respectively (16.b.1.1). To help enhance the effective investigation of hate-crimes, a specialized training module has been introduced for prosecutors and investigators. Currently there are 71 specialized prosecutors and investigators with the plan of reaching each territorial unit of the prosecutor's office nationwide. Representatives of the MIA and judiciary will also participate in the specialized trainings. The similar learning opportunity will become available online based on the Council of Europe methodology of Human Rights Education for Legal Professionals (HELP). In addition, the prosecutor's office plans the capacity building interventions for its representatives on combating racism and intolerance. The MIA has also developed guidelines for increased efficiency of investigations vis-a-vis crimes committed on different grounds of discrimination, including SOGI.

The Visa Liberalization Action Plan (VLAP) and EU-Georgia Association Agreement stimulated major reforms in different directions, inter-alia creating a strong framework for the development of **migration policy and its management mechanisms in Georgia**. The progress achieved by Georgia is highlighted in number of significant results achieved in public administration sector, which made possible a successful closure of VLAP, starting number of reforms and gaining the right for visa free travel in EU/Schengen area for Georgian citizens. The majority of mentioned reforms implemented through the 2016-2020 migration strategy of Georgia, which strengthened strategic and whole of government approach to migration management (such as establishing nexus between migration and development, facilitation of legal and prevention of irregular migration, international protection, integration and reintegration, enhancing the migration management system, awareness raising and international cooperation) and created a solid basis for successful implementation of next migration policy cycle. The 2021-2030 Migration Strategy will be a brand-new policy document defining 10-year priority directions (aligned with SDGs) with an overarching approach of "Migration and Development", and responding to the modern-day challenges of migration from global, regional and national perspectives.

## 6.2 PEACE, JUSTICE AND STRONG INSTITUTIONS

Georgia has achieved the tangible progress in building effective, transparent, inclusive and accountable state institutions. It is committed to furthering public administration and open governance reforms by increasing transparency and accountability of state institutions. Accordingly, Georgia has acquired high rankings among various indices, including the Open Budget Index (see Box 10) of International Budget Partnership where Georgia's state budget received 82 points out of 100 on transparency and 74 points out of 100 on budget oversight. Georgia has also seen slight increases in the Voice and Accountability (16.6.2.2), Government Efficiency (16.6.2.3), and Regulatory Quality indices (16.6.2.4). In addition, the Public Defender's Office of Georgia is a highly respected National Human Rights Institution within the broader international human rights community and has been re-accredited with A-status, indicating its full compliance with the UN Paris Principles (16.a.1).

Georgia has been active in sharing its experience and lessons learned in the implementation of the targets related to the SDG 16 with particular focus on targets 16.5 and 16.6.

Georgia has made significant progress with broadening and strengthening its participation in the institutions of global governance (16.8.1). It has secured a number of memberships and leading positions, including of the UN Human Rights Council (2016-2018), the World Health Organization (WHO) Executive Board - (2017-2020), Secretary General of the World Tourism Organization (WTO) (2018-2021), the Subcommittee on Prevention of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment of the Committee against Torture (SPT) - (2019-2022) the UN Statistical Commission (2020-2023), Community of Democracies Governing Council - (from 2019), the UN Women Executive Board (2019-2021), the OGP Steering Committee (2019-2022), and the UN CEDAW Committee (2019-2022).

Under the ongoing public administration reform, the Government of Georgia strives to increase the citizens' satisfaction with public services (16.6.2). It continues further development of its already ro-

bust public service delivery bringing innovation and technology for increased efficiency. Georgia is also on track with adopting the national strategy of public service creation, delivery, quality control and costing (16.6.2.1), as it has already been drafted and shared within civil society organizations for feedback which has already been reflected and the final version of the document is prepared for its further approval from the government.

Furthermore, several steps have been taken under each direction of the strategy. In particular, in the framework of the service quality assurance pillar, Public Service Index Concept and Common Assessment Framework (CAF) Guideline are already elaborated. Trainings for the trainers have been held in introducing CAF methodology. Service Index national portal is also being in the process of development. Elaboration of the following guidelines and training module packages of Service Design, Service Delivery, Customer Satisfaction Survey Standard and Service Costing are in progress and expected to be prepared by 2020.

In response to COVID-19 pandemic, the Government of Georgia has created a special web-portal [www.stopcov.ge](http://www.stopcov.ge), which is available in both official languages – Georgian and Abkhazian – and other languages spoken by ethnic minorities (Armenian and Azeri). To safeguard the rights of children amid COVID-19, a separate hot-line – 111- has been set up dedicated to the rights and needs of children.

Georgian penitentiary system has undertaken effective proactive measures following to the recommendations of the WHO (World Health Organization) and the Inter-Agency Coordination Council of the Government of Georgia chaired by the Prime-Minister to prevent the spread of the COVID-19 within the penitentiary establishments. Thanks to the prompt and well-coordinated responses to the virus, Georgian penitentiary system managed to avoid the spread of COVID-19 among prisoners and staff. Hence, as of today, there is no single COVID-19 case confirmed in Georgian penitentiary establishments.

Georgia has been a member of the global initiative **the Open Government Partnership (OGP)** since 2011. Georgia served as the lead co-chair of the OGP in 2018, hosted the 2018 Global Summit in Tbilisi, and was re-elected to the OGP Steering Committee in 2019. In addition to the Government of Georgia, the Parliament, Supreme Court and Mayor's Office

## BOX 16 ONE-STOP-SHOP IN DELIVERY OF PUBLIC SERVICE

The country's landmark reform of Public Service Hall (PSH) offers a one-stop shop of public services throughout the country. At 24 PSHs and 76 Community centers, Public Service Hall allows individuals (both Georgian nationals and foreigners) to receive more than 400 services under the single roof, including personal documents (ID, birth certificate and passport), business or property registration, notary services, and enforcement of court judgments. Moreover, Just Drive and Just Café allows clients of Tbilisi Public Service Hall to receive a document or service without leaving their car or while helping themselves with refreshments in the café. 24 PSHs host more than 20,000 clients on a daily basis in the country.

With the pledge to leave no one behind, Public Service Hall has been a trailblazer for adapting its services and premises for people with disabilities (PwDs) and has introduced the standard of services for PwDs. A specialized manual has been developed, which is used for the management of the standard of services for persons with disabilities in Public Service Halls. New gestures for 400 terms have been created for the deaf and people with hearing impairments, specifically for the access to the services PSH. 20 employees of Tbilisi Public Service Hall have learned the sign language and serve deaf persons without an interpreter, which has significantly simplified the access to the services.

Tbilisi Public Service Hall is adapted for visually impaired and blind people. The interior and outer perimeter of the building is equipped with tactile paths, direction indicators with braille inscriptions, tactile map for navigation, room marks with braille inscriptions, etc. The PSH web page is adapted as well. Overall, 900 PSH staff members have been trained to ensure better quality and accessibility of public services for PwDs. Accordingly, citizens have been reporting the satisfaction with the services received at PSH as high as 88 percent in 2019.

Further to the One-Stop-Shop principle, "Unified Service Center" was developed at Patrol Police Department of the Ministry of Internal Affairs, which is providing up to 50 police services in a single physical space. After piloting the concept in the capital, the model is being further developed throughout Georgia.

Moreover, so called express branches of "Unified Service Center" began functioning, in several cities and are offering services through vehicles equipped with modern infrastructure and functions of receiving electronic applications.



## BOX 17 PUBLIC SECTOR INNOVATIONS LABORATORY

In order to ensure the user-centered, innovative service delivery, the Public Service Development Agency within the Ministry of Justice has created the Innovative Service Lab. It assists public and private organizations in designing and implementing new, modern and innovative services. The concept of Innovative Service Lab envisages the planning of the entire product cycle – from generating ideas to concrete steps to implement them. By designing a service, from a user's perspective, applying behavioral or other innovative methods, the Lab creates and develops innovative services for public and private organizations.

of the capital city Tbilisi joined the OGP. By 2020, 11 municipalities across Georgia have subscribed to one or more OGP principles. Georgia has undertaken a number of initiatives aimed at increasing the citizen engagement in decision-making processes by introducing the e-petition and e-signature options for legislative initiatives, as well as electronic feedback mechanism for citizens on draft bills and citizens' feedback on improving public service delivery.

As part of OGP plan, driven by the spirit of leaving no one behind, the Parliament of Georgia adapted its building infrastructure to the need of people with physical and sensory (sight) disabilities, as well as the web site of the Parliament was customized for users with disabilities and equipped the staff with skills to ensure better quality and accessibility of public services for PwDs.

The 2017-2020 agenda of the EU-Georgia Association Agreement identified the reform of the judicial system in Georgia as one of the priority tasks in the area of institutional development and good governance. Namely, according to the agenda, crucial reforms should ensure full independence of judges; strengthening of accountability, impartiality, effectiveness, integrity and professionalism of the court system. Georgia has undertaken steps towards promoting the rule of law at national and international levels and ensuring equal access to justice for all. It is largely on track with surpassing the targets it has

committed to under 16.3. According to the World Justice Project Rule of Law Index 2020 Georgia remains 1st in the region, with the global rank of 42 among 128 countries.

Georgia has been undertaking the judicial reform over the past decade, with the most recent Fourth Wave of the reform wrapped up in summer 2019. The Fourth Wave has been evaluated positively, including for increasing the transparency of the disciplinary proceedings against judges. Georgia has developed the Judicial Strategy and its Action Plan, which entail improving policies and practices of selection/appointment of judges, promotion and training/education of judges, and support for the independence of the High School of Justice.

Georgia made progress in promoting the use of Alternative Dispute Resolution (ADR), in particular mediation and arbitration. Law on Mediation was adopted in 2019 ensuring the comprehensive framework for functioning of both out and in-court mediation. Use of mediation and arbitration gives parties time and cost-effective access to justice. Having an alternative to courts is becoming more important as litigation can be lengthy due to overloaded court dockets.

Country has achieved progress in decreasing the number of remand prisoners within the overall prison population to 18.5% and continues its efforts to move closer to the target 13.5% (16.3.2). Since July 2018, Georgia has started the new wave of penitentiary system's reform. On February 22, 2019, the Strategy and Action Plan on the Development of Penitentiary and Crime Prevention Systems have been adopted. Reform aims at ensuring existence of the well-functioning and transparent systems that are predicated on the concepts of effective implementation of penalties, protection of rights and dignity of prisoners and promotion of their re-entrance into the society. Georgian penitentiary system has already achieved significant progress in different thematic areas yet the reform is still ongoing. The reform prioritizes the further development of systems in accordance with the principles of human rights protection, resocialization, and rehabilitation (16.3.2.1).

Government of Georgia continues its efforts towards creating a **safer society** for all. Birth registration plays a primary role in ensuring individual rights and access to justice and social services and

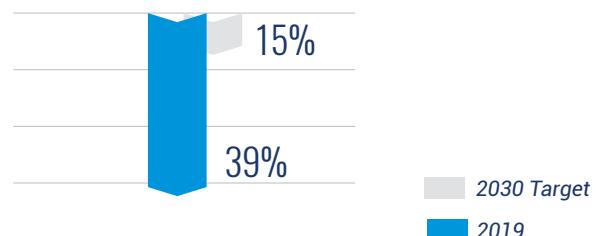
## BOX 18 ADAPTED PUBLIC SERVICES

112 – Public Safety Command Centre of Georgia (Agency of the Ministry of Internal Affairs), which receives emergency calls from all over the country – improved its services via the user-centric design. As a result, the service has become more accessible to people with disabilities, including the deaf. Emergency Service 112 has turned to video chat via Skype and has hired full-time sign language interpreters to facilitate conversations between first responders and PwDs. Georgia's emergency service employees were also trained in sign language so they could take calls from deaf users. This inclusive approach has been replicated across various online services developed by the Public Service Development Agency. Citizens may now apply for passports, ID cards and birth certificates via Skype.

Georgia has achieved the significant progress to that end - the proportion of children under 5 years of age whose births have been registered in national civil registry has increased from 99.6 percent in 2015 to 99.98 percent in 2019 (16.9.1). Moreover, Georgia has started issuing temporary ID cards for homeless children and children who have been victims of domestic violence (16.9.1.1). The NUMBEO safety index ranked Georgia fifth among 125 countries in 2018. While the number of violence related deaths have been on the rise globally, Georgia has managed to achieve progress to that end and the number of intentional homicides has significantly decreased from 3.18 percent to 1.93 percent in 2015 and 2019 accordingly (16.1.1). At the same time, women feel disproportionately unsafe walking alone around the area they live in (16.1.1.4) with 82.1 percent women and 97.5 percent men reported that they felt safe.

Important measures have been taken to address the issue of femicide, intentional killing of women and girls on account of their gender, which has been increasingly discussed among women's rights groups. In response to the advocacy of the civil society organizations and the Women's Movement in Georgia, the Parliament of Georgia adopted changes to the Criminal Code introducing a gender motive as one of the aggravating circumstances to the crimes of intentional murder. The sexual violence against women and girls has been increasingly reported to the authorities, which is a positive development and has several contributing factors, including permanent awareness raising campaigns on VAW by the authorities, and women's greater agency. According to the MIA, the number of registered rape cases in 2019 increased by 24 percent compared to the

*Reduction of intentional homicides against 2015*



previous year. Despite the changes to the Criminal Code of Georgia, it remains challenging to identify gender as an aggravating factor during the investigation stage. In 2017, the Public Defender's Office assumed the role of the Femicide Watch in Georgia collecting the data on the number of femicides, and publishes recommendations to respective authorities annually. The stand-alone NAP on VAW also contains important commitments pertaining to the issue of femicide.

In 2019, the Parliament of Georgia adopted the Code on the Rights of the Child, which has been described as a groundbreaking achievement for ensuring better protection of children. It was preceded by another landmark juvenile justice reform. Despite these significant legislative changes and policy initiatives, children largely depend on adults (parents or caregivers) for receiving the information on and exercising their rights. The lack of finances impedes the ability to provide rehabilitation services to children who have been subject to violence by caregivers. In total 29 children were identified as statutory victims of human trafficking in 2019 (16.2.2). The Parliament of Georgia has

started consultations with civil society on the legislative and policy changes to address the issue of child pornography. The recently adopted Code on the Rights of the Child aims to ensure the welfare of the child through supporting effective implementation of the Constitution, the UN Convention on the Rights of the Child and other related laws. In addition, the 2018-2020 HR NAP addresses the protection of rights of children. The number of social workers will increase (105 additional social workers by 2024), which will help with detection of violence against children. The issues related to child protection and PwDs were integrated into the guidelines of the State Fund for Protection and Assistance of (Statutory) Victims of Human Trafficking in 2019. Aimed at strengthening the child protection referral mechanism, the standard operating procedure is currently being developed by the MoLHSA.

Georgia continues its efforts to **eliminate all forms of corruption** and bribery. It has been accordingly reflected in the Control of Corruption Index by the World Bank – in 2015-2018, Georgia has experienced a year-on-year average growth rate of 1.94%. Georgia enjoys the highest-ranking figure in Eastern Europe and Central Asia region. According to the Index of Economic Freedom by Heritage Foundation 2020 Georgia ranks 12th out of 180 countries and 6th in the Europe (45 countries). Its overall score has increased by 1.2 point, with increase in all components of the Rule of Law. However, there are still challenges remaining in this regard. For that purpose, in 2019, the Government of Georgia adopted the fifth anti-corruption action plan for 2019-2020 and the anti-corruption strategy, which was a result of a co-creation process. It is noteworthy that Anti-Corruption priorities cover a wide range of issues

aiming at corruption prevention both in public and in private sectors and a separate section is dedicated to business integrity in compliance with OECD-ACN recommendations. It is planned to take further measures to strengthen integrity in the private sector. The Anti-Corruption strategy and action plan are focused on strengthening transparency at the local level by including municipalities as responsible authorities within the action plan and aims to promote electronic services in municipalities, develop strategies and action plans for increased transparency and integrity in municipalities and to improve civic engagement in corruption prevention.

The Interagency Anti-Corruption Council, which is in charge of anti-corruption policy development and monitoring, is composed of representatives from executive, legislature and judiciary, non-governmental and international organizations and business sector. Thus, the coordination mechanism enables active civic participation in defining anti-corruption priorities and creating evidence-based policy. The internationally praised "asset declaration monitoring system" has been developed with the primary goal to increase transparency and trust of citizens in public administration by monitoring disclosed information on assets of public officials. In addition, the transparency of state procurement processes was increased through the electronic procurement system - an online platform "budget monitor", which allows citizens to observe public expenditures. The Anti-Corruption Council has recently approved the first Corruption Risk Assessment Methodology in Georgia ensuring more systematic risk assessment. The methodology is planned to be implemented gradually in the public sector (16.5.2.1).

#### **Index of Economic Freedom by Heritage Foundation 2020**



#### **Georgia ranks:**

- 12th out of 180 countries;
- 6th in Europe (45 countries).



## BOX 19 PEACE INITIATIVE – “A STEP TO A BETTER FUTURE”

In line with Georgia's policy of peaceful conflict resolution, driven by the spirit of the SDGs, in 2018 the Government adopted a peace initiative "A Step to a Better Future", which serves the purely humanitarian goal aiming at confidence building and improving humanitarian and socio-economic situation of the population on the other side of the divides. New peace initiative was broadly praised by the international community and, most importantly, sparked the interest of local population in Abkhazia and Tskhinvali regions. Peace initiative covers three dimensions:

- **Facilitating trade** across the dividing lines in a status-neutral manner, which enables the products from the Abkhazia and Tskhinvali regions to access the internal market of Georgia as well as privileged export opportunities available to Georgia, including through the DCFTA.
- Enhancing **educational opportunities** for the residents of Abkhazia and Tskhinvali region/South Ossetia and simplifying enrollment in higher educational institutions both in the rest of Georgia and abroad.
- Easing access to various **state services**, as well as Georgian passports and life-cycle documents for the residents of Abkhazia and Tskhinvali regions.

One of the main directions of the peace initiative is to create relevant **financial mechanisms** to assist the process and those willing to engage. To this end, in 2019 the Government launched a new grant program "Enterprise for a Better Future" facilitating trade-economic activities across the dividing lines and, for this purpose, supporting individual and joint partnership projects. To meet growing interest, the Government operationalized another financial instrument foreseen by the peace initiative - **Peace Fund** for a Better Future to facilitate dialogue, cooperation, reconciliation and confidence building between divided communities, as well as empower conflict-affected population living on both sides of dividing lines and improve their socio-economic situation.

in 2019, twice more students from the occupied regions enrolled in higher education institutions of Georgia through the simplified procedures. In the frames of the peace initiative, procedural obstacles for obtaining Georgian passport were also removed. It can now be done with documents at hand and free of charge with "one window principle".

Along with the peace initiative, the Government continues wider implementation of engagement policy that envisages taking care of conflict-affected population through provision of free healthcare services, delivery of various medical and agricultural facilities, as well as facilitation of various confidence-building projects.

## 7. CONCLUSION AND FUTURE PLANS

### A SUMMARY OF THE ANALYSIS

The analysis showed that integration of the SDGs into national political priorities is a correct way forward. The closer the SDGs are aligned with and articulated in the context of the overarching national objectives, the higher is the political and electoral support to necessary adjustments and reforms, which also affects the way the budgetary funds are distributed.

The analysis showed that where the SDGs are strongly linked with national priorities, substantive progress has been made. Namely, the economic growth, access to energy, development of renewable energies and equal rights to resources were all seen as being strongly on target. However, significant shortfalls were evident in employment, specifically youth unemployment, addressing pollution and contamination. It was also found that while some important steps were made in anti-discrimination field, addressing gender inequality needs to be better interlinked with other policy areas to achieve effective and structural progress. The environmental concerns need to be also better linked with objectives of economic development and social justice.

Most of these concerns require structural, strategic adjustments, which require professional civil service. It is therefore paramount that in the upcoming period the Public Administration Reform process is comprehensively evaluated. The new cycle of Public Administration Reform Strategy must be drafted with policymaking process at its center, aiming to bring together economic, social, and environmental facets of development.

Logically, such comprehensive transformation will only be possible in the context of peace and stability. Russia's occupation of the Georgian territories continues to represent an existential threat to Georgia's statehood. While the government is committed to seeking peaceful solutions, stronger international involvement is needed to achieve lasting peace and security, including through creation of the international security and human rights mechanisms on the ground, and addressing the plight of those communities that are left behind the division lines.

Covid-19 pandemic has also sharpened focus on resilience and emergency preparedness, with a strong accent on healthcare, social support and economic stability. At the moment of writing this report, the consequences of the outbreak still need to be comprehensively assessed. It is clear though, that international cooperation effort – both on a global and on a regional scale – will be required to effectively mitigate such risks in the future.

## NEW AND EMERGING ISSUES

Several key areas were identified as emerging issues and targets requiring closer attention, so that the current shortfalls in implementation can be systematically addressed. These were sorted by the working groups into four main categories:

### 01

#### LEAVING NO ONE BEHIND

Inequalities of different types were agreed to be a potential threat to Georgia's progress towards the SDGs. Ensuring equal opportunities for women (5.5, 5.a) offers huge potential economic gains, particularly if the burden of unpaid care (5.4) could be addressed. Similar gains in quality of life and well-being were seen in eliminating violence against women and violence against children from daily life (5.2, 5.3, 16.2). The full inclusion of persons with disabilities (10.2) likewise promised benefits and encouraging greater tolerance and appreciation of diversity, whether in terms of ethnic background, religious affiliation or sexual orientation, are seen indispensable building blocks for peace (10.3, 16.b). "Leaving no one behind" was designated as a cross-cutting priority covering all "5P" areas. These concerns were felt to have become even more relevant considering the health, social and economic impact of Covid-19 pandemic.

### 02

#### INVESTING IN YOUNG PEOPLE

With 35% of youth aged 14-29 not in education, employment or training (NEET), a lack of decent opportunities is an increasing challenge. Inactivity of youth leads to a range of social issues, having consequences for the whole of society and a generation's future. Focusing in a holistic manner on youth development – quality education, Youth Work, informal education, youth friendly service, health, human rights, gender equality and participation – and more broadly on human capabilities development, has the potential of advancing the 2030 Agenda across the board. It will also support progress in social areas such as access to services (1.4), reduced inequalities (10.2), gender equality (5.2; 5.3) and health (3.7; 3.8).

### 03

#### DECENTRALIZED DEVELOPMENT

Disparities between urban and rural areas remain amongst the most profound in Georgia. Target 2.3 (agricultural productivity) is a major challenge for Georgia, since the share of households in the agricultural sector still high. Despite the fact that there is a positive dynamic in recent years, the key strategy objective is that the households should move from consumer production to business-oriented production. Negative demographic dynamics mean that young people escape to the cities leaving countryside and thus, stressing the need of proactive integration of elderly population in the productive agriculture. Decentralized development, as identified in the Decentralization Strategy of the Government, focusing on promotion of the new diversified economic activities (8.2, 8.9) can help overcome the challenges in productivity of agriculture, all the while reaping the potential acceleration of poverty alleviation (1.4). This process should be supported by locally-defined development priorities built on strengthened local institutions (16, 16.7).

### 04

#### GOING GREEN WITH ENERGY PRODUCTION AND CONSUMPTION

Sustainable energy targets were identified in the analysis as some of the most positively influential. The issue of access to green energy and developing energy-efficient options is connected not only to the sustainability agenda, but also to health, well-being and prosperity. Ensuring safe and green energy consumption and production (7.2, 7.3) will require resilient and sustainable infrastructure (9.1, 9.2) and will not only significantly advance the environmental agenda, but will stimulate green growth across the country, promote businesses and sustainable production and consumption (12).

Abovementioned four categories need to be taken into consideration with ongoing pandemic, which threatens to effect to all the achievements that the country has made so far in implementing the Sustainable Development Goals.

To improve the way the SDG targets are integrated in national policy and their achievement is better monitored, the government intends to:

### **GENERATE AND GATHER BETTER QUALITY DATA**

Improve the functioning of the National Statistics Office; integrate data gathering into monitoring and evaluation frameworks; train relevant staff across the government agencies; help build non-state capacity to generate relevant data, specifically:

- Generate disaggregated data to address measurement and policy gaps around the SDGs.
- Development of population data systems, based on the Population and Housing Census data, that will enable to better identify and address inequalities and strengthen evidence-based policy making;
- Build a stronger evidence base for action in priority areas, for example by researching the situation, needs and policy preferences of groups that are at risk of "being left behind."

### **LINK SDG TARGETS TO BUDGETING**

- Encourage municipal and regional officials to incorporate the SDGs into their planning and budgeting processes, and strengthen similar efforts already under way at national and central level.
- Undertake a detailed review of national and sub-national budgets in view of the SDGs implementation and, where necessary to align spending with priorities, justify shifts in funding to target areas.

### **IMPROVE MONITORING AND EVALUATION OF TARGETS**

- Revisit the 93 nationalized SDG targets to fill conceptual gaps and strengthen monitoring.
- Ensure that missing and newly adopted targets are incorporated into national policy documents.
- Integrate the nationalized SDG indicators into the national monitoring and evaluation system.
- Increase the role of the civil society in the process of monitoring and evaluation.

### **STRENGTHEN PARTNERSHIPS**

- Agree on priority areas for action with national counterparts and stakeholders.
- Build awareness of the EU Association Agreement, and other international treaties ratified by Georgia, including the major UN Human Rights Treaties, ILO Conventions and the Council of Europe agreements as an integral part of the SDGs progress.
- Support better communication, coordination and coherence around the SDGs across institutions at all levels.

### **PLAN AHEAD**

- Move from analysis and recommendations to proactive programming for the SDGs implementation.



Secretariat of the SDGs  
Interagency Council of GEORGIA

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**Administration of the Government of Georgia**