

## Formulation of the UNSDCF 2021-2025

Webinar for Outcome 3 “All people living in Georgia benefit from a sustainable and inclusive economy”

### Minutes of Discussion

**Webinar organizer:** UN RCO

**Date:** 10.06.2020; 15.00-16:28

**Venue:** Online via “Zoom” platform

**Participants:** overall 75 participants attended; (list of participants is attached)

**UN RCO/host:**

Ms. Sabine Machl, UN Resident Coordinator

Ms. Marine Chitashvili, RCO Team Leader

Mr. David Mushkudiani, Partnerships and Development Finance Officer

Ms. Teona Kiknadze, RCO Executive Associate




Ms. Nestan Khuntsaria, Data Management Monitoring and Reporting Officer

**UN Country Team:**

UNDP, FAO, UNFPA, UNHCR, UNICEF, UNIDO, UNILLO, UNIMOM, UNOHCHR, UNWOMEN, Non-resident agencies UNECE, UNEP, UNESCO, IAEA and UNDRR also invited to the webinar.

**UN External partners and stakeholders** represented by the of Government of Georgia, International Organizations, Civil Society, Academia, Private Sector nominated by the UN Agencies for Outcome 3 discussion;

### **Agenda:**

-  **Introduction of the UNSDCF 2021-2025 Formulation Process;** Sabine Machl – UN Resident Coordinator (RC)
-  **Presentation by Co-chair of the Outcome 3 Working Group;** Iamze Mirizanashvili – FAO Program Assistant on behalf of the Group 3
-  **Discussion, Q/A session** – facilitated by Sabine Machl, UNRC

***Objective of the Webinar:*** To ensure coordination and alignment with the Georgia’s development priorities, the UN System is launching a series of online consultations with all key partners. The five webinars will focus on one of the five priority outcomes that UNCT is proposing will guide the UN’s support to Georgia in the coming five years. Through a wide discussion and feedback to UNCT thinking, it will become possible to consolidate views and develop a highly relevant and nationally owned UNSDCF 2021-2025.



The third Webinar focused on Outcome 3, “**All people living in Georgia benefit from a sustainable and inclusive economy**”, which along with other four Outcomes falls under the Overarching Priority “Enhancing Human Wellbeing, Capabilities and Social Equality”.

***Questions / Comments by participants:***

- Wording for all the Outputs under Outcome 3 will be further reviewed to better reflect actual interlinkage between Outputs. Sustainable economic growth is impossible without promotion of private sector development, including export oriented production, skilled and productive labor. The role of SME given it represents 90% of total enterprises in Georgia and agricultural and rural development are also crucial for achieving desired results. *(Zaza Chelidze, FAO);*
- The issue of irregular migration and Georgian returnees becomes more important following COVID pandemic, especially speaking about socio-economic reintegration of returnees and expected drop in remittances on which large number of families in Georgia are dependent. IOM will make stronger emphasis on these aspects while working on plans for future. *(Sanja Selebic Lukovac, IOM);*
- Despite considerable spending on agriculture development by the government, the agricultural productivity has not grown much. Would be good to hear more on social dimension of agriculture and effectiveness of such projects? *(Ilia Kunchulia, Georgian Farmers Association)*
- ✓ *Increase of agricultural productivity remains a big challenge and there are many reasons behind it. One reason is the fragmentation of agriculture in Georgia, most of the households are cultivating small, less than a hectare plots. 77% of land holders operate on small areas and that is why social dimension problems in agriculture are evident. Small farmers cannot compete with large scale production of importers. However there is a good opportunity for local producers to start export oriented production by using advantage provided by DCFTA agreement. Definitely support to increase of productivity will be taken into consideration while formulation of the respective output of the CF and also promote export oriented agricultural productivity. 7% share of GDP of agriculture does not mean it is not priority for the government, but it indicates that other sectors are developing in the country. Accents should be made on those labor, those farmers who have skills, experience and more climate smart approach and technology. These will be main directions and priorities followed while working on the presented Outputs.*
- Export oriented production was mentioned as good opportunity for agriculture production, however government pushes for import substitution. Sugar factory opened using subsidies of the government in Agara was said cannot compete on the market given its price. Why such projects are being implemented, is it only for employment of some people or there are other reasons? *(Ilia Kunchulia, Georgian Farmers Association)*
- ✓ *Import substitution does not mean that country has no export orientation. Import substitution supports more secure economy and consumption on the country. This topic is too broad to discuss now, when reviewing it one has to consider specific commodities – capacity to produce and capacity to consume. Government’s reaction on Agriculture sector sometimes depends on changing circumstances that depend on crisis, changes of prices for certain commodities, but main priorities remain to be export orientation and import substitution that are parts of the State policy. (Zaza Chelidze, FAO)*

- ✓ *Enterprise Georgia is working on portfolio consisting of support and development of SME, which has access to finance mechanisms and promotion of export support programs. Existence of the Agency and its' mandate witnesses the fact the country has prioritized both areas. (Tornike Zirakashvili, Enterprise Georgia)*
- On behalf of the MEPA the importance of agriculture and rural development in Government's agenda was highlighted, however these sectors are not the only areas that are crucial for economic development of the country. Rural development goes far beyond the farmers' production and purely agricultural activities. Government is implementing the EU financed ENPARD program in cooperation with UNDP and FAO, which aims at diversification of rural economy and provide support to people to get higher profit from their activities in rural areas. All state support programs aim at reduction of poverty in rural areas and give people opportunity for engagement in different sectors. These activities are part of rural development strategy of the country and government's priorities are fully in line with priorities envisaged in UNSDCF Outcome 3.  
Challenges related to fragmentation of Agriculture are tackled through different activities, including massive registration of agricultural land and various farmers' support activities that aim at supporting improvement of productivity. Government invests a lot into introduction of innovative modern technologies into the sector. *(Khatia Tsilosani, Ministry of Environmental Protection and Agriculture);*
- Expressed readiness to collaborate with UN agencies throughout implementation of the UNSDCF. Entrepreneurship development, green job creation, women's entrepreneurship and empowerment, education are the main directions of the agency's work. *(Ani Vashakmadze, Georgia Innovation and Technology Agency GITA)*
- Confirmed interest to cooperate on behalf of the Ministry of Education, Science and Sport. Skills improvement is one of the pillars for success under Outcome 3. It concerns all sectors and directions mentioned during the discussion. New sector strategy for skills development, vocational education and training development is under elaboration by the government and it is important that good coordination between working processes of both groups are ensured. Ministry is ready to facilitate coordination of both processes. *(Tamar Kitiashvili, Ministry of Education Science and Sport)*
- What is envisaged for lifting up most vulnerable groups of society to ensure that they also have chances to participate in the economic life of the country? For example how education for employment will work for most vulnerable groups? *(Sophia Svanadze, Swiss Development Cooperation)*
- Involvement of private sector is critical. What is envisaged in the CF of the UN to support the government to exercise the real public-private partnership at national and local levels? *(Sophia Svanadze, Swiss Development Cooperation)*
- With reference to Regional Development Program of the country, what is envisaged in the CF to support the government in implementation of the regional development program or making certain links, since this program is of crucial importance for further economic development of the country? *(Sophia Svanadze, Swiss Development Cooperation);*

- ✓ *When we speak about inclusive growth it means that all members of the society should benefit from economic growth and this is the main purpose of this concept and a principle of the 2030 agenda not to leave anyone behind. Engagement of vulnerable groups in the economic development is of crucial importance for the government. When we speak about vulnerable groups first of all poor population of the rural areas are meant and also IDPs. Georgian government has taken commitment towards 2030 agenda and this commitment will be a part of the new CF and all vulnerable groups will be covered by envisaged actions of the UN and the coordination with the government will be ensured as well.*
- ✓ *The same can be said with regards to the public-private partnership aspects. All projects that are implemented through UN support envisage a component that is tailored to support establishment of partnership with private sector.*
- ✓ *Speaking about regional development program of the government, it is considered as one of the most important documents. Existing disparities between Tbilisi and the rest of the country is one of the problems of rural development in the country, and decentralized development should be supported, with particular attention to education and skills development and creation of jobs especially in rural areas, and increasing productivity especially in agriculture. All priorities of the government outlined in various strategic documents will be taken into consideration while elaborating the CF outputs. (Zaza Chelidze, FAO)*
- ✓ *For better inclusion of vulnerable groups, it is important to be alert and attentive to the types of the obstacles that stop them being included or accessing various programs and support services and socio economic development. E.g. language is the biggest obstacle for refugees and asylum seekers who also have right to work. Government is organizing language courses and UNHCR helps in expanding these courses to be accessible in the regions. Another obstacle is related to recognition of qualifications. This group composed by foreigners is not caught and included by rural development initiatives, however not many of them leave in rural areas. This group does not own land and they will need to be supported in urban livelihoods. Many are employed in tourism and will definitely suffer due to current downturn in this sector. Everybody is included by law, but in practice it is often a problem and the job of the UN with the government is to help to identify obstacles and address them. (Kemlin Furley, UNHCR)*
- *The Outcome 3 has an ambition to ensure that all people living in Georgia benefit from inclusive and sustainable economy and the biggest vulnerable group is informal workers who are frequently not protected by available mechanisms of social protection. Therefore within the UNSDCF and this particular outcome the UNCT will work not only with traditional categories of vulnerable groups, but look at the inclusiveness, including the possibilities of formalizing the informal work and decent work which is safe, secure and sustainable socially protected and adequately rewarded work. The goal is ambitious but in full alignment with ILO conventions, agenda 2030 and EU association agreement. (Erika Kvapolova, UNWOMEN)*
- *Inclusiveness at all levels of policy dialogue is important. Ongoing “Skills for Jobs” program covers all types of vulnerable groups and try to ensure that all levels policy discussions aims to better ensure equal access to the quality services for skills development with specific accent on regions. Given strong coordination is crucial for boost effectiveness of efforts, EU is ready to provide needed support and inputs to the UNSDCF related working processes. (Nika Kochishvili, EU Delegation)*

- Talking about sustainability, it is important that system is built in a way not dependent very much on outside but more rely on internal capacity building. So it is important to see how the most vulnerable groups like small farmers will be strengthened, those who need support but almost never get it. *(Mariam Jorjadze, NGO Elkana)*
- ✓ *Through the ongoing consultations UNCT is trying to see whether the cooperation framework makes emphasis on proper areas for intervention. Discussions on how all issues are to be addressed will be subject for further discussions in smaller groups. We are now identifying directions to follow during the coming five-years and ensure that right priorities of the country are envisaged in the CF document. (Sabine Machl, UNRC)*
- Larger scale production in agriculture is important, however grant giving agencies should bear in mind that in majority of cases the beneficiaries of small-scale interventions are women, so this is a social dimension of this program which should be taken into consideration. *(Nani Bendeliani, UNWOMEN)*
- Key impediments for women's employment relates to impossibility to reconcile maternity and paid work. There are several problems related to this issue, including legislation and work conditions. However the consultations for harmonization of the legislation, as well as other activities that were going on will be hampered due to different priorities emerged due to COVID crisis. So it is important to maintain the gender equality and decent work-related issues as priority items of the agenda, specifically taking into consideration Georgia's obligation under the EU Association agreement. *(Nani Bendeliani, UNWOMEN)*

***Summary of points discussed:***

- ✚ Stakeholders in principle agree with current formulation of the Outcome and Outputs, hence the projected priorities of the UN programs for the next 5-years cycle echo expectations and priorities of the State.
- ✚ All vulnerable groups will be covered by envisaged actions of the UN under the new UNSDCF and the coordination with the government will be ensured as well.
- ✚ All projects that are implemented through UN support envisage a component that is tailored to support establishment of partnership with private sector.
- ✚ Existing disparities between Tbilisi and the rest of the country is one of the problems of rural development in the country, and decentralized development should be supported, with particular attention to education and skills development and creation of jobs especially in rural areas, and increasing productivity especially in agriculture.
- ✚ The Outcome 3 has an ambition to ensure that all people living in Georgia benefit from inclusive and sustainable economy and the biggest vulnerable group is informal workers who are frequently not protected by available mechanisms of social protection.
- ✚ Through the ongoing consultations UNCT is trying to see whether the cooperation framework makes emphasis on proper areas for intervention. Discussions on how all issues are to be addressed will be subject for further discussions in smaller groups.