



## EQUITABLE GROWTH, FINANCE & INSTITUTIONS NOTES

GovTech Case Studies: Solutions that Work

# Georgia: Promoting Digital Transformation through GovTech

A Whole-of-Government Approach

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# Introduction

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Georgia has undergone significant transformations over the past 25 years towards private sector-led, export-driven growth, and greater public sector performance. This has resulted in solid economic growth, averaging five percent per annum from 2005 to 2019. More recently, a move towards the digital economy and GovTech underpinned by the 2015 e-Georgia Strategy has helped to improve service delivery for citizens and the private sector.

The World Bank's South Caucasus analytical and advisory support on Transforming Government Services through Digital Innovations included an assessment of the Georgian case and potential entry-points for future reforms. To do so, it used a customized version of the Digital Government Readiness Assessment (DGRA) methodology. The DGRA analyzes key digital government dimensions and is now being complemented by the GovTech Maturity Index and clients have started to use these contributions to inform the design of their new digital strategy.

The assessment found that Georgia integrated digital solutions in service delivery and supported innovation and the use of technology across the economy, expanding digital platforms, digital services, internet access, and building digital skills. A multichannel service delivery approach based on a wide network of physical one-stop-shops and a government portal with over 700 fully transactional services has facilitated an end-to-end customer journey for key services such as online tax filing and business registration.

Georgia has also achieved key results in the development of center-of-government digital platforms and solutions as part of its [Public Administration Reform Strategy](#). These include an Electronic Public Financial Management (ePFM) system, Electronic Procurement, Government Cloud, Digital Signature Infrastructure, and Data Exchange Infrastructure, supporting data sharing across the public and the private sector.

This initial GovTech foundation can now be leveraged to make a quality jump forward as the Government adopts a new digital strategy by developing and implementing a whole-of-government GovTech approach. This could constitute a comprehensive, equitable, user-centric conceptual GovTech framework, strategy, infrastructure, system and tools based on key digital principles, such as “Once-Only,” “Digitally by Default,” “Build once, Use Many,” and “Mobile by Default.”<sup>1</sup>

1. Key results and opportunities for reform have been identified through the GovTech Snapshot Assessment for Georgia, forming part of a larger World Bank global engagement on GovTech and Advisory Services and Analytics in the South Caucasus on Transforming Government Services through Digital Innovation, led by Kathrin A. Plangemann, Lead Public Sector Specialist and Constantin Rusu, Sr. Public Sector Specialist.



## Problems and Objectives

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Following the disintegration of the Soviet Union, Georgia's 2003 Rose Revolution helped to identify key economic and public sector reform challenges and paved the way for a more efficient public sector. The recent Georgia GovTech Snapshot Assessment had three objectives: first, to conduct a snapshot diagnostic; second, to determine potential entry-points for GovTech reforms; and third, to strengthen government capacity in areas of key client interest. It has identified a series of GovTech challenges, including limited policy coordination and synergies across different GovTech initiatives, limited interoperability of digital platforms, limited uptake of digital services, and the inadequate exploitation of the potential for the use of disruptive technologies.

Following the acceleration of GovTech during COVID 19, there is potential to generate fiscal savings, enhance accountability and make greater progress on the digital economy. As the Government plans to adopt a new digital strategy before the end of 2021, a whole-of-government approach to GovTech could be developed, building on these assessment findings. The strategy aims at strengthening policy coordination, common user-centricity approaches, and an integrated approach to digital platforms, including the use of Artificial Intelligence, such as for the tax administration.



# Solutions and Approaches

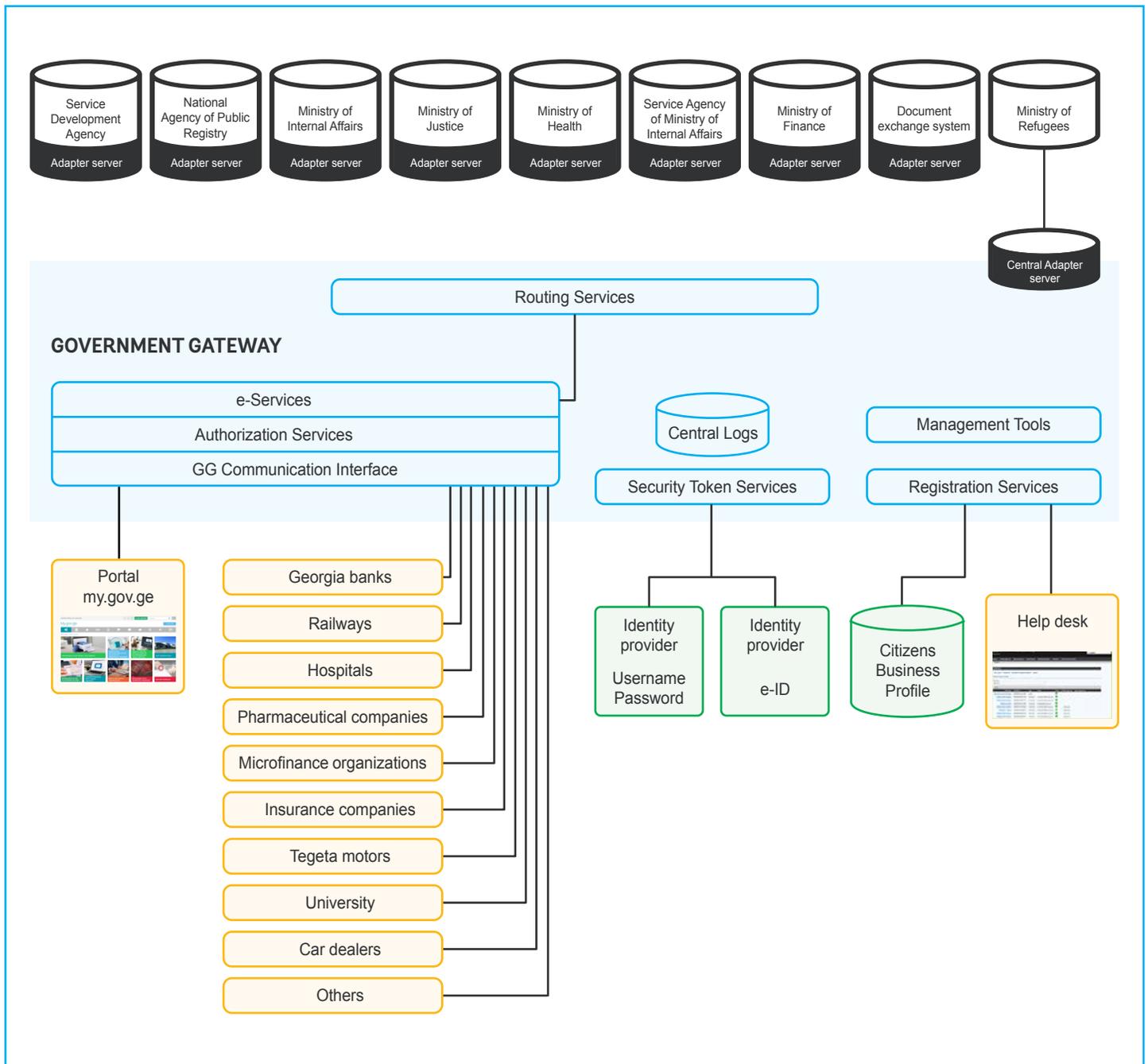
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The GovTech snapshot assessment offers the following findings to help inform the design of the new digital strategy and accelerate the implementation of the digital economy in Georgia:

**Digital solutions for public service delivery.** A multi-channel approach for service delivery has been developed. On the one hand, Georgia developed the Public Service Hall concept to increase the ease of accessing public sector services for citizens and businesses. These are physical one-stop-shops for all government services based on a shared front-end, shared service center model. There are currently 26 Public Service Halls and 85 Community Centers (a smaller model of . . .) across the country. The plan is that, in the next two years, six more Public Service Hall and 10 community centers will be created. A unified digital services portal (My.gov.ge) launched in 2012 features 700 fully transactional digital services designed for use by citizens and businesses. Many government organizations have developed additional digital channels for e-services—for example, the taxpayer portal by State Revenue Administration and the procurement portal for State Procurement Agency.

**Supporting core government platforms.** Key e-PFM systems are in place and fully operational for budgeting, treasury, and related areas, implementing the 2018-2021 PFM strategy. A coordinated approach to digital investments led to the creation of the Georgian Government Gateway data exchange infrastructure. A Governmental Cloud Infrastructure has been established, providing services to other public and private sector institutions. Government uses an array of infrastructure systems for its digital platforms such as the document management system, and Human Resource Management Systems. The digital signature infrastructure (certificate authority, e-ID Card) was also developed to reduce the manipulation of official document flows, curtail corruption opportunities, and increase trust in Government.

**FIGURE 1 - Georgia Interoperability Platform**



Source: Georgia Digital Governance Agency, 2021.

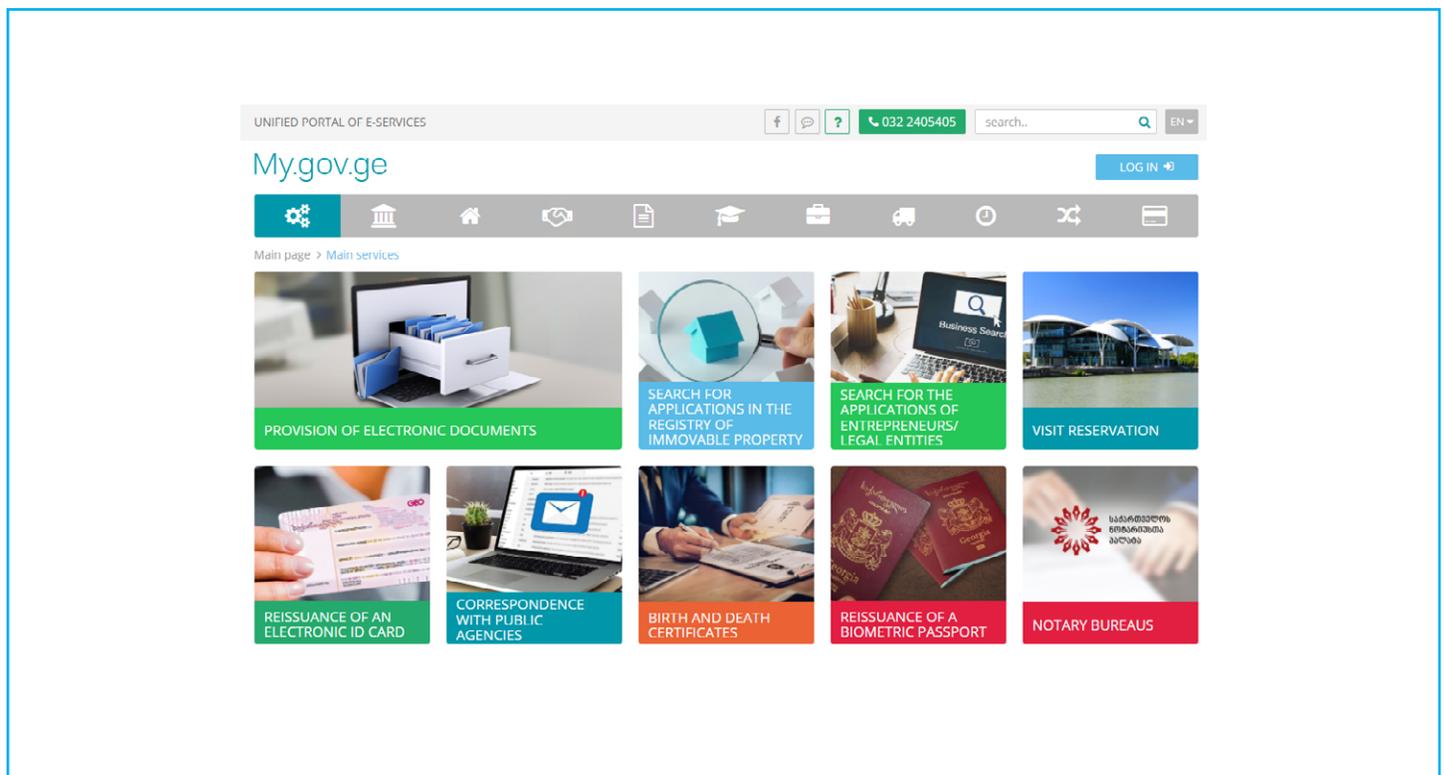
**Mainstreaming citizen engagement.** The national open data portal, data.gov.ge, has been developed as part of the Open Government Partnership (OGP) action plan to increase transparency, civic engagement, and promote new citizens initiatives and start-ups. An online petition system has been developed together with an NGO, the Institute for Development of Freedom of Information.

**GovTech enablers.** Among the key enablers for GovTech were legal reforms. There is no digital governance umbrella legislation in Georgia, but rather a comprehensive legal framework composed of many laws aligned with EU regulations, including the Personal Data Protection Law, Electronic Document and Digital Signature Law, the Unified State Registry of Information, and the Criminal Code, which includes provision for cybercrime, e-procurement legislation, etc.

# Results

## DIGITAL SERVICES FOR PUBLIC SERVICE DELIVERY

- A network of public service halls, community centers, and express community centers, has been created, allowing delivery of up to 800 services in a single location.
- Digital services save time, money, and enhance trade and investment. For example, the annual savings related to container management through the Trade Facilitating System amount to 4,530,000 Georgian laris (about \$1,147,000).
- My.gov.ge, a portal has been created to provide of over 700 fully transactional digital services.
- Digital services are now utilized by over 200,000 individual users and 1500 business representatives.
- More than 97 percent of taxpayers file their taxes online.
- One hundred percent of state procurement auctions now provided online through the official e-procurement system.<sup>2</sup>



## SUPPORTING CORE GOVERNMENT SYSTEMS

- Core digital platforms have been created, such as the e-PFMS (public financial management system); e-State Treasury Electronic Service System; e-Budget management system; e-DMS, the Government Debt and Investment Project Management System; TAX – tax and customs administration system; e-Public Procurement System, and e-HRMS – human resource management system.
- Some 350 services are integrated into the 3G infrastructure, serving more than 300 organizations, and generated more than 111 million transactions in 2020.

2. Additional information is available at: <https://www.worldbank.org/en/news/feature/2015/02/18/georgia-an-e-procurement-success>.



# Lessons Learned

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**Strong leadership and policy coordination.** Successful implementation of GovTech reforms require a champion in the public sector, with political leverage and a strong determination to lead the GovTech agenda and effectively coordinate across governments. The Digital Governance Agency is leading the development of Digital Georgia and coordinates the development of the GovTech strategy, implementation of data exchange infrastructure, citizen portal, information and cyber security in public sector, and critical infrastructure. Close coordination within the public sector helps to establish priorities, leverage shared infrastructure, systems and services, and build on existing enablers to optimize the value-add of earlier investments, as illustrated by electronic identity management, digital signatures, and analogue and digital service delivery. But further reform championing and policy-coordination is crucial to reap the full GovTech benefits.



**Strategic approach to GovTech, coupled with sequenced implementation.** A key lesson from Georgia's GovTech experience is the importance of establishing comprehensive strategies with shared GovTech outcomes across Government. The E-Georgia Strategy is built on the Public Administration Reform Program and underpinned by other strategies such as those for OGP, the cybersecurity, and e-PFM, roadmaps, and action plans. An approach of strategic incrementalism helped to roll out reforms gradually across government, allowing for testing and learning. An emphasis on strengthening capacity, change management, and innovations can help address resistance to change and enhance demand for and ownership of reforms, ensuring a more sustainable GovTech impact. On the Bank side, a gradual approach, from desk-review through client consultations, global knowledge-sharing, capacity-strengthening on selected topics prioritized by the client, to specialized support on deep dives on specific reform interests, has deepened the engagement and facilitated joint identification of reform options tailor-made for Georgia.



**The COVID-19 pandemic has reinforced the importance of GovTech and opened new pathways for GovTech reforms.** The COVID-19 crisis served as a powerful incentive to deepen GovTech reforms to ensure business continuity in the short term, and offer better services to citizens and the private sector in the medium term. Georgia rapidly developed new e-services, including a digital platform for businesses to obtain permission to operate as COVID-19 safe spaces and a digital platform to register for COVID-19 vaccination. The diagnostic and collaboration have also shown the value of multisectoral collaboration to seek the emerging opportunities in a holistic way, both for GovTech and the digital economy.

# Next Steps

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Georgia has achieved significant GovTech results in the development of center-of-government digital platforms, and in strengthening physical and digital services and enablers. These achievements can be leveraged to deliver better, faster, and more agile services to citizens and the private sector. Key reform options for the way forward include:

- Expanding an effective whole-of-government GovTech approach.
- Strengthening GovTech foundations focusing on digital ID and digital documents through implementation of Mobile ID and e-Archive solution.
- Further modernizing core digital platforms and services, starting with tax administration.
- Enhancing the use of disruptive technologies in the public administration, such as artificial intelligence, machine learning, and big data in data analytics for more evidence-based decision making.

The World Bank will deepen the GovTech engagement in a second phase and explore opportunities for further engagements to operationalize findings. The findings of the GovTech snapshot assessment will be disseminated in a targeted way to provide robust analytics to inform client policymaking. The team will provide further implementation support to clients in the next fiscal year to strengthen client capacity in line with the proposed reform options to support the digital economy and accelerate GovTech implementation. Further support can also be operationalized through potential lending, such as a Development Policy Operation as well as other lending and trust-funded support.

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