



**Executive Secretary**  
*Under-Secretary-General*

**Opening**

by

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at

**JOINT LAUNCH WEBINAR**

**UNECE SUB-REGIONAL INNOVATION POLICY OUTLOOK**

**2020: GEORGIA**

**UNECE INNOVATION FOR SUSTAINABLE REVIEW OF GEORGIA**

**16 December 2020, 10.00-12.30 (CET), Zoom Web-platform**



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Excellencies,

Ladies and gentlemen,

Welcome to the joint launch of the UNECE Innovation Policy Outlook (IPO) for Eastern Europe and the South Caucasus and the Innovation for Sustainable Development Review of Georgia. The IPO is a **new, first-of-its-kind flagship publication** of which I am very proud. It reviews and compares innovation policies and institutions in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine.

Meanwhile, the Innovation for Sustainable Development Review of Georgia takes an in-depth look at the actors and dynamics of the innovation system, as well as the mechanisms for innovation governance that will underpin innovation-led sustainable development in Georgia. It is the latest in a **series of national reviews of innovation policy** that are carried out by UNECE at the request of member States. The Reviews provide detailed, country-specific recommendations for reform. I hope that this Review will be equally valuable for Georgia as it has been for other countries.

These publications and today's discussion come at a **critical moment**. The COVID-19 crisis has hit countries like Georgia with economies in transition particularly hard. Aside from the health crisis itself, Eastern Europe and the South Caucasus faces a substantial slump in growth and a need for sharp increases in public spending to care for the vulnerable and keep the economy afloat. In short: **we have to do more with less**.

Since independence in 1991, the ensuing civil war and territorial disputes have made the transition of Georgia to a market economy particularly challenging. Even so, Georgia stands out as a star reformer in the sub-region and is now one of the most open and easiest places to do business in the region. Georgia attracted significant investment and has become a vibrant



**Executive Secretary**  
*Under-Secretary-General*

trade hub. Given its tradition of high levels of educational attainment and a strong entrepreneurship culture, **Georgia is on the right track** for innovation-driven development.

Significant efforts are under way, such as investment in infrastructure, education and administration, but further reform is needed to restructure, diversify and increase economic productivity. Closer coordination and regular monitoring and evaluation of science, innovation and private sector development policies and instruments will be essential to ensure policy effectiveness. **Public procurement is a potentially potent but underused lever to catalyse innovation.** Finally, improving private sector managerial, technical, and organizational capacities will be essential to absorb new ideas and put them into practice.

**For this reason, innovation, which goes beyond high-tech sectors and technology startups, is crucial.** Entrepreneurs and policymakers need to allow for innovation not only in products and processes, but also in governance – experimenting with ideas and expanding those that work best. New ideas are necessary to create value, interactions and linkages; to forge new partnerships; and to govern effectively and efficiently.

While this task is challenging, there is a silver lining.

**Georgia has made tremendous progress in improving public governance.** Innovation has been emerging as an important topic in the national policy agenda as seen in recent reforms of government institutions and the establishment of new ones to drive innovative development. The country has implemented a broad range of reforms to increase the efficiency of the public sector, become a leader in e-Governance, reduce administrative barriers for business, attract investment and improve institutional frameworks.

All of these are essential elements of vibrant innovation systems.



**Executive Secretary**  
*Under-Secretary-General*

**Innovation is already happening.** And Georgia has become a leader in certain areas. As already mentioned, Georgia has become a **role model** for other countries in the area of e-Government. Georgia's Innovation and Technology Agency has also piloted a number of support measures for innovative startup and entrepreneurs, with World Bank support under the GENIE project.

However, the legal frameworks are not yet mature enough to support science and innovation effectively. Mechanisms for coordinating innovation policy within the central government and between national and subnational authorities are insufficient. The next step is to make sure that the necessary experimentation with new ideas becomes **more systematic across the economy, society, and governance structure.**

This is not easy for a very simple reason: we cannot plan innovation and predict the future.

To continue to sustain growth and benefit from its manifold opportunities, Georgia needs to make better and systematic use of its potential, moving from a model of filling essential gaps to one based on broader experimentation with new and better ideas, business models, technology and governance arrangements.

This insight is at the core of the UNECE Innovation Policy Outlook: **to support innovation effectively, we need to rethink governance.** Policies and institutions need the flexibility, incentive structure and wherewithal to successfully enable and promote innovation. The publication takes an in-depth look at the scope and quality of innovation policies, institutions, and processes in Georgia in comparison to countries in the sub-region with similar legacies, opportunities, and challenges.

More detailed in scope, the Innovation for Sustainable Development Review identifies strengths to build on, and priorities for reform. It pays particular



**Executive Secretary**  
*Under-Secretary-General*

attention to Georgia's business-science linkages, innovation-enhancing procurement, and private sector dynamics.

we have one clear goal in mind: **to help people try out things that they might not otherwise.**

Georgia was the pilot country to partake in the UNECE Innovation Policy Outlook, resulting in two years of intensive cooperation building on strong national ownership and buy-in. I thank Georgia's Innovation and Technology Agency for their excellent support during these 2 intense years. In addition, engaged and dedicated leaders, national focal points and innovation stakeholders in Georgia have been essential.

My thanks also **to the Swedish Government** for the generous funding that made this initiative possible.

These publications have **already created momentum.** I strongly hope that this dynamic will continue and intensify. UNECE stands ready to support Georgia in putting the recommendations of the UNECE Innovation Policy Outlook and the Innovation for Sustainable Development Review of Georgia into practice.

Thank you.