



Sixth session of the UNECE Steering Committee on Trade Capacity and Standards (SCTCS)

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Talking Points

Dr. Sabine Machl, UN Resident Coordinator in Georgia

Good afternoon,

I would like to thank the UNECE, the Government of Georgia and of course 330 Georgian Micro, Small and Medium Enterprises that contributed to this important survey and thus helped understand the evolving challenges and needs.

In 2020 and the first half of 2021, the UN in Georgia continued to closely work with the Government as well as many other partners to provide proactive, consistent and effective national emergency response to the COVID-19 crisis. In cooperation with our partners, the UN addressed the immediate challenges of the pandemic by providing technical advice in health care, risk communication, education and supporting social welfare for the most vulnerable. We continue to support Georgia's efforts towards an inclusive, fair and sustainable recovery from the COVID-19 pandemic.

In October 2020 a new-generation United Nations Sustainable Development Cooperation Framework (UNSDCF) was signed for the 2021-2025 period. This happened after intensive consultations with the government, civil society, development partners and academia, as well as people who have been directly affected by conflict. The new Cooperation Framework is firmly anchored in Georgia's national development objectives, elaborates a clear pathway for the UN support to Georgia in leaving no one behind, and has one overarching priority for the coming years – enhancing human wellbeing, capabilities and social equality.

Despite many achievements of the past decades in poverty reduction and enhancing governance and business environment, various challenges remain and had a negative impact on Georgia's resilience to shocks, such as the COVID-19 pandemic. Among them, our joint UN analysis highlights persisting social and spatial divides and inequalities, low productivity and competitiveness, challenges in human capital development, limited protection of labour rights, as well as climate change and environmental challenges.

The UN in Georgia thus supports an integrated vision of economic growth as a means for sustainable advancement of human capabilities and well-being, policies and programmes that promote people-centered economic and business models, and an enabling environment and business opportunities for investment while respecting human rights and labour rights and

environmental impact. In this regard, UNECE analysis and recommendations offer a valuable framework to enhance and consolidate joint efforts by the Government and the development partners to enable inclusive and sustainable economic transformation in Georgia.

In particular, Micro, Small and Medium-Sized Enterprises represent 90 per cent of all enterprises and 67 per cent of all business employment in Georgia, yet their needs are often insufficiently addressed in the context of multifaceted inequalities inherent to the current model, especially faced by people and businesses in rural areas. At the same time, UNECE analysis offers valuable guidance on assessing and developing MSME productive capacities to transition to modern business operations that meet higher quality standards, which would in turn enable MSMEs to benefit from the preferential trade regimes, including with the EU.

UNECE work also supports the UN Country Team in the ongoing analysis on the impact of COVID-19 on various population groups and prioritizing support for the vulnerable. In this vein, we note the worrisome data indicating that only 45 per cent of agricultural MSMEs suspended export activities altogether. Furthermore, whole 79 per cent of manufacturing MSMEs and 85 per cent of farmers emphasized that their survival hinged on continued Government support. We will also reflect on the valuable data on the deterioration in the living conditions of the MSME households, and in particular the use of personal savings to maintain operations and loss of property after defaulting on mortgage and loans.

Various agencies of the UN Country Team in Georgia, of which UNECE is a valuable member, are closely engaged both in working with businesses, especially women and youth-led enterprises to strengthen competitiveness, facilitate access to technologies and markets, promote skills development and responsible business practices, as well as enable transition towards green economy. UNECE analysis brings valuable reflections and recommendations on a range of issues from strengthening innovation ecosystem to fostering circular economy to the UN family, as well as the Government and other partners.

We look forward to continuous contributions of UNECE to the work of the UN Country Team, including the thematic results group on inclusive economy, which will hopefully bring new ideas and partnership opportunities.

As the Government of Georgia is working on the post-pandemic recovery measures and a strategic ten-year national development plan, UNECE technical assistance and normative frameworks provide crucial guidance and recommendations. UN in Georgia is committed to support the Government of Georgia in these efforts with all our shared expertise and operational capacities.