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Report on Review of Regional Statistics

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1. Introduction. Purpose of the review

- The signature of the Association Agreement in November 2015 allowed for broadening perspectives for cooperation in regional policy programming and implementation between the EU and Government of Georgia. According to this document regional policy is seen as an effective tool for assuring more territorial and socially balanced development of the country and achieving universal for the whole Europe socio-economic goals such as increasing competitiveness of the economy and facilitating increase in opportunities and prospects for all citizens of Georgia.
- Even before the signature of the Association Agreement, already in 2014 ENPI Financing Memorandum on Support to Regional Development – Phase II signed by European Commission and the Georgian Government, defined a set of conditions for disbursement of EU funds (26m Euro) in the form of a direct budget support. Those conditions included among others promotion of internal cohesion as well further strengthening of the administrative capacities of the Georgian administration to programme, monitor and implement modern regional policy. Reform Policy Matrix Specific Condition 4(i) refers directly to the issue of strengthening the capacity of the administration to observe regional disparities trends and improvement of the relevance and quality of regional statistics used for this purpose: *“the review of regional statistics is prepared and published, drawing on both, the initial update of regional disparities and the interim evaluation of RDP implementation. The review includes recommendations for any necessary changes to the collection of socio-economic data in Georgia”*.
- Within the framework of the EU funded TA programme „Support to Regional Development Policy Implementation Phase I”, which served as a tool for delivery of EU expertise and advise, set of analytical and programming documents have been developed among others allowing for the implementation of modern regional policies in Georgia,

approximated to the EU Cohesion Policy planning standards. In this context, the most important documents to be named are:

- Regional Development Programme 2015-2017 (RDP) together with detailed description of identified programme measures (Measure Sheets) and Monitoring Plan for its implementation. Those documents prepared in 2015 contained a list of indicators - both financial and physical (products and results) as well - in majority cases - targets to be achieved in 2017 at the level of measures. Since then, the list of indicators and their targets has been reviewed and updated two times during the process of preparation of annual implementation reports of the RDP for 2015 and 2016.
 - Initial analysis of regional disparities was prepared on the basis of the study prepared by ISET – International School of Economics at Tbilisi State University in 2014. The Study gave a limited description of internal disparities in Georgia at the level of planning regions being the first comprehensive attempt to show broader cohesion policy issues in Georgia. The analysis of regional disparities was updated in March 2016.
 - Georgian data series related to the analysis of regional disparities and the future evaluation of RDP. This table was developed together with GEOSTAT – Georgian Statistical Office and special Interagency Working Group to prepare a framework, which could be used by future studies on disparities and ex-post evaluation of the RDP 2015-to present developments and trends in internal cohesion in the country.
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- The purpose of this review is to present the updated set of regional statistics to be used by Georgian Administration and especially Ministry of Regional Development and Infrastructure of Georgia, for preparation of future analyses of regional disparities and comprehensive evaluation of regional policy achievements in general and effects of Regional Development Programme 2015 -2017 in particular (prepared after the RDP is finished at the end of 2017). The updated regional statistics draws on several different sources:

- original Georgian data series related to the analysis of regional disparities and the future evaluation of RDP developed under previous TA project (Annex I);
 - available data set concerning socio-economic situation of the planning regions officially published by GEOSTAT (Georgian Statistical Bureau); www.geostat.ge; http://www.geostat.ge/index.php?action=page&p_id=1181&lang=eng;
 - statistics used for preparation of the amended Study on Regional Disparities, *Updated Analysis of Regional Disparities in Georgia - March 2016*;
 - product and result indicators used for measuring effects of RDP implementation (interim evaluation and implementation reports);
 - Eurostat regional database used for socio-economic planning and monitoring of development trends at NUTS II (and below) level: <http://ec.europa.eu/eurostat/web/regions/data/database>
 - Indicators used in the official EU and Member States publications concerning general socio-economic development (like Europe 2020 strategy), cohesion trends and regional socio-economic situation (like EU reports on economic, social and territorial cohesion and as an example of MS report: Polish report on socio-economic, regional and spatial development).
- All mentioned above sources of information have been carefully reviewed in order to produce an amended set of regional statistics to be used for producing reports on regional cohesion in Georgia and future evaluations of the effectiveness and efficiency of the public regional policy, including, ex-post evaluation of the RDP 2015-2017.

2. Main assumptions on regional statistics in Georgia

- In order to produce a reliable set of regional indicators best tailored to the Georgian regional policy needs in coming years a number of assumptions had been drafted before analysis and recommendation were produced. In line with the European cohesion policy principles, the proposed set of indicators should:

- allow not just for capturing the current situation but measuring structural changes and long-term trends in regional development. **This means that values of indicators need to be collected and available at least for 4 subsequent years.**
- be divided into three main categories reflecting three dimensions of the cohesion policy as engraved in the Treaty:
 - social cohesion
 - economic cohesion
 - territorial cohesion.

This means that the regional statistics need to be organised to a maximum possible extent around those three topics – fundamentals of the EU regional policy.

To allow for comparisons across countries and regions the set of indicators are to be in line with the set of indicators used in the Eurostat regional statistics, official publications concerning and reports on cohesion policy produced by the European Commission and Member States. Detailed proposal of categorisation and indicators is presented under chapter 4.

- reflect disparities and **trends primary at the level of planning regions** (including Tbilisi and Autonomous Republic of Adjara), which are listed and shown on the map below.

Map 1. Planning Regions in Georgia



From the international law point of view, territories not being currently under judiciary of Georgia: Abkhazia Autonomous Republic and Tskhinvali Region (former South Ossetia district formally being a part of Shida Kartli region and municipality Akhlagori being a part of Mtskheta Mtianeti region) should be also included in the system of monitoring and evaluation of regional development trends but since they are not in the moment subject of Georgian administration in practice analysis of the situation in those areas and comparison with other Georgian regions is hardly possible. That is why data presented by the Geostat in socio-economic as well regional statistics refers only to territories being under Georgian political control.

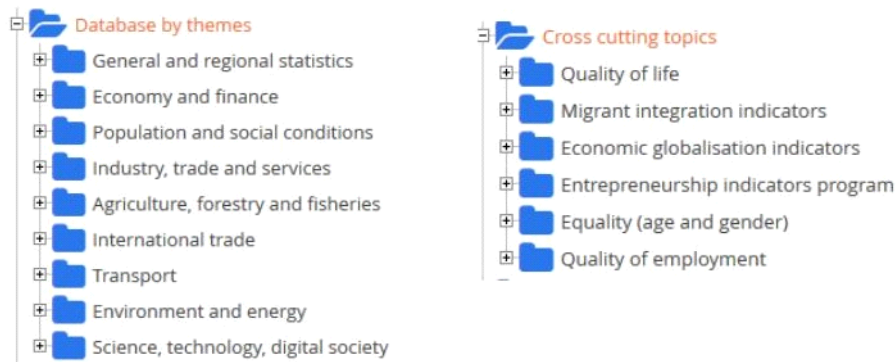
Unless any formal agreement is made between EUROSTAT and GEOSTAT (what should be expected in the context of the Association Agreement in due time) matter planning regions (including two autonomous republic and Capital City of

Tbilisi having special status) should be primary reference point for measuring both internal regional disparities in Georgia and disparities between Georgian regions and regions of the EU.

Taking into account that within majority of regions substantial disparities in socio-economic and spatial terms persist, for better targeting of regional policy it would be also necessary to develop gradually with time a number of indicators collected at the level of municipalities (for the list of municipalities see annex 1). Monitoring development situation and trends at sub-regional level has the biggest role in programming and conducting modern rural development and urban policy but also is crucial for making informative pro-development decision by local authorities.

Unfortunately, at present data availability and possibility of researching development trends at this level is very limited and allows only for making very basic demographic and socio-economic comparisons. There is also virtually absence of data to be used in more specialised territorially based policies concerning functional areas like mountainous regions (what is no doubt the Government priority) or broader metropolitan areas of big urban centres what is of course especially important for Tbilisi and its surroundings counting for more than one third of population and more than 50% of Georgian GDP.

- should be also as much as possible in line with the Eurostat categorisation used for socio-economic planning and monitoring. This categorisation is used for collecting and analysing data as well for programming and monitoring of implementation of all European as well MS policies having significant impact on the whole European territory. Of course not all indicators are available below country NUTS 0 level but categorisation of indicators collected at the level of NUTS II regions (regional statistics) follow to major extent the logic of the Eurostat's general socio-economic base of indicators. Screen shot from EUROSTAT socio-economic data base:



3. Remarks on the current set of regional indicators proposed for measuring regional trends and regional policy effects and efficiency.

The first set of statistical indicators to be used in the context of Georgian regional policy and evaluation of its effect and efficiency was developed: *"Georgian data series related to the analysis of regional disparities and the future evaluation of RDP"*, was developed in October 2015 within the framework of the EU funded TA project " regional Policy implementation in Georgia I with close collaboration with GEOSTAT (annex1).

Although the data set was updated in March 2016 in order to reflect changes in the availability of some indicators in the public statistics, until now it has not been used by MRDI or GEOSTAT for making any substantial analysis of regional disparities, neither for evaluation of effects of regional policy. Mentioned above report on regional disparities conducted in 2015 was developed on the basis of indicators proposed by ISET and only to limited extent used the same indicators as, developed in parallel, *"Georgian data series..."*.

As the report on preliminary interim evaluation of the RDP 2015-2015 concluded, also until now it has not been possible to use proposed indicators for assessment of regional policy effectiveness and efficiency simply because since the start of the programme (which was at the beginning of 2015), there has been no data series available and published for even two subsequent years of

implementation. Statistical data is collected and published by GEOSTAT only once a year or even less frequently (as in case of some demographic statistics) and at present there is virtually no data available at the level of planning regions older than 2014 (with exception of some employment statistics). Data for 2015 at regional level will be available only in coming months.

Taking into account that the purpose of developing a model set of regional statistics in Georgia was very much connected with an idea to use standard set of indicators for measuring both regional development trends and regional policy effects the first time it could be fully used comes only now for:

- observing trends in regional disparities in the context of a new Regional Development Programme 2018+ and new legal basis for regional policy (draft Law of Georgia on Regional Policy and Development Planning);
- evaluation of the effects of the RDP 2015-2017 and effectiveness of the whole regional policy which should be done only when the Programme is sufficiently advanced in implementation and statistical data at regional level is available at least for 3 (4) subsequent years. It means that the evaluation of the RDP should be done not before the end of 2017 (in a mid of 2018 preferably).

Apart of mentioned above objective barriers for using already developed set of indicators for measuring regional development trends and effects of Georgian regional policy analysis which were conducted in the framework of this review has revealed a number of inconsistencies between the proposed model set of regional indicators, approach used in the study of regional disparities, regional data base of GEOSTAT and requirements for specific indicators to measure regional disparities and cohesion policy trends within the EU. As already mentioned above, the latter issue will have a growing importance since Georgia is tightening socio-economic and political links with the EU.

General observations

There are significant gaps in terms of the scope and contents of data series presented in the main policy documents mentioned above. The cause of those gaps can be explained by poor availability of data, differences of the approach used by author's teams (which is obvious comparing diagnosis of the RDP 2015-2016 and Analysis of Regional Disparities) and the lack of suitable methodology and resources to collect data by GEOSTAT and other sources.

Generally, the data series used in programming documents are in synchronicity with the most fundamental grouping exhibiting data on population and demography, economic development and cohesion, social development and cohesion and territorial development and cohesion. However, neither RDP 2015-2017 nor the analysis of regional disparities does not provide a clear review of factors determining growth rate and competitive capacity and factors that hamper these.

Specific comments

Updated Analysis of Regional Disparities

The document was developed originally by ISET and then updated in March 2016 by previous TA Support to Regional Policy Implementation in Georgia I project in collaboration with special Interagency Working Group and MRDI. The documents describes in general regional disparities between planning regions, however there is very limited analysis of trends of disparities. Except for data on population, GDP by region, volume of timber harvested, FDI's, number of persons receiving pension and social packages and the number of foreign visitors, there is virtually no substantial analysis of trend for other statistics. Trend analysis is an essential practice of data and information collection in order to observe a pattern or trend and to forecast or estimate future events. GDP by region is quoted in GEL, not in USD. There is no reference to exchange rate into USD or € and no indication of changes in price index to enable price correction by deflation. For that carrying out benchmarking with any other e.g. European region or country is literally impossible. Moreover, GDP figures are provided in current prices and thus help understand

nominal values and regional shares rather than specific trends. It is GDP in constant prices that measures changes in economic output enabling observation of real changes in the GDP.

Below are listed some observations concerning specific indicators used in this study:

- Key labour market and social indicators (xls) are constructed based on IHS (Integrated Household Survey). The HIS methodology combines Lifestyle Survey, Labour Force Survey (LFS) and Living Cost and Food Survey. The IHS Survey is costly and it is understood that it is performed on annual basis. In turn, there is limited intelligence out of the Survey that is used for regional statistics: employment, unemployment (in absolute figures) and poverty rate.
- Most likely the IHS facility is just not fully utilised for the analysis of regional disparities as the number of indicators computed on that basis is extremely limited, e.g. there is no reference to household budgets or disposable income.
- Age cohorts included in the spreadsheet (source: HIS) are not in sync with the age cohorts used for the computation of employment and unemployment rate. There are figures depicting the number of economically active people (as a whole in table N36) but age cohorts for the unemployed (15-24, 25-34, 35-44, 44-54 and 55+) do not correspond to the definition of “economically active people”. The tables are not suitable for supplementary use and analysis.
- There is no analysis of population density or density of infrastructure such as roads, railways. As those data is crucial for measuring regional disparities
- There are serious gaps in regard to indicators allowing for measuring social development and cohesion and territorial development and cohesion themes. Examples include:
 - o gross/net earnings, live births and deaths per 1000 inhabitants, life expectancy, infant mortality,
 - o hospital beds per 100,000 of population, physicians and dentists per 100,000 of population,

- o proper LFS-based methodology for employment and unemployment rates (and registered unemployment rate), old age dependency, employment in public vs private sector,
- o teaching staff against pupils/students in each category of education, structure of household
- o income (salaries, wages, pensions, income from agriculture, other income, remittances, etc.),
- o women at work,
- agricultural land size broken down into arable land, gardens, orchards, vineyards, meadows and pastures, major agricultural produce and yield per ha, livestock production,
- o rural family holdings in no. and size (also average), municipal budgets,
- heritage sites (UNESCO and domestic standards),
- waste water (in thousands of m³): waste waters total, waste water with sewerage, treated waste water, number or % of households connected to sewage, no. of solid waste landfills and their capacity,
- no. of enterprises, exports, imports, investments in fixed assets,
- R&D personnel, R&D expenditure, R&D projects and value (GERD, BERD),
- tourism traffic (arrivals, beds, overnights, bed occupancy, length of stay, etc.).

Also, there are gaps in information and data pertaining to: number of business entities, their size, turnover, profitability, industrial clusters, innovation zones, industrial zones, their size, legal reference, etc. Those gaps of course underline the necessity for availability of data at regional level provided by GEOSTAT but also show that the future analysis should pay more attention to the trends in regional development using improved data base run by GEOSTAT but also other sources of information obtained during evaluation and additional studies focusing on specific territorial issues like: regional competitiveness, regional human development, regional poverty, regional infrastructure, rural areas, urban areas, etc.

GEOSTAT data series on socio-economic planning and policies implementation

Georgian data series (www.geostat.com) are divided into 8 groups: i) population and demography, ii) physical infrastructure, iii) environment, iv) economic structure indicators, v) labour market, education and training, vi) investment innovation and technological development, vii) income and poverty and viii) culture and recreation. The division is acceptable in its own rights and essentially corresponds to the most general grouping established by Eurostat. The missing items are cross-cutting topics such as: quality of life, equality and quality of employment.

Generally, the data series provided by GEOSTAT are in synchronicity with the most fundamental grouping exhibiting data on population and demography, economic development and cohesion, social development and cohesion and territorial development and cohesion. However, the analysis of regional disparities does not provide a clear review of factors determining growth rate and competitive capacity and factors that hamper these.

Closer look at regional statistics data base run by GEOSTAT (for the content of the GEOSTAT data base see annex II) reveals a lot of gaps in availability of indicators in crucial areas for measuring regional development trends and effects of the regional policy in comparison with very complex system of indicators used at the level of the EU and most MS. For majority of indicators data is available at least for years 2011-2014 but for many of them availability is limited only to two years. In many cases the recent available data (January 2017) is for 2015 making following regional trends difficult.

The identified major gaps in comparison to the Eurostat data base and practice of MS in the list of available indicators for measuring regional disparities, include especially data on demography, social issues, transport and infrastructure. For details see below the proposal for the updated list of indicators (chapter 4).

4. Conclusions. Updated regional statistics table with indicators to measure regional development trends and future evaluations of effects and efficiency of the regional policy.

A model set of indicators to be used for measuring of regional disparities and the future evaluation of the RDP developed under previous TA Regional Development Implementation in Georgia I project, was assessed from the point of view of existing programming documents (diagnosis of the RDP 2015-2017 and Update Analysis of Regional Disparities) coherence with the EU practice and possibility of using already existing stock of indicators under GEOSTAT data base. Below, in relation to thematic areas of indicators are listed observations which should be considered when developing further *“Georgian data series....”*.

Population and Demography

The recently conducted Census (November 2014) has had important consequences for the demographic data in Georgia. The number of population changed significantly (showing a 15% decrease relative to current statistics) and the age-sex composition was significantly updated. However, a 10-year periodicity of Census is the primary drawback of relying on census data. Another drawback of regional demographic statistics is the lack of age and sex regional composition. Administrative sources of current demographic statistics (vital statistics data coming from the Public Service Development Agency and external migration data from Border Police Department) can be only partially used for the purposes of regional demography, as limited migration data (inexistence of current internal migration sources as well as only nationwide applicability of border police data for external migration) does not allow for production of detailed regional population dynamics.

Physical Infrastructure

This part of the regional data set is the most problematic and needs the biggest improvement taking into account the role of infrastructure for development of poor regions. There is a long list of indicators which as comparison with existing sources cannot be delivered, are confidential or not collected directly but on other hand there is lack of indicators in GEOSTAT data base which

would allow for measuring issues like density of roads of different categories, environmental indicators, public transport, deaths caused by traffic,

Business Statistics

In recent years improvements in the business register and administrative source data led to an increase in the number of produced indicators at the regional level. The proposed revised table include a number of new indicators which could be used for the purposes of regional statistics.

The main drawback in terms of regional business statistics is in the lack of disaggregation by local enterprise units. This implies that regional disaggregation is done according to the registered/actual address of the enterprise's head office, thus inflating Tbilisi data as the primary destination for large companies which have local units across the country.

Starting from 2014 the data are available also at the municipal level, which gives an idea of overall economic activity in a given municipality.

The Environment

The section on environment seems the most problematic. At present the environmental data on waste, pollution, etc. are not available and it is not clear when the data production will be ensured. Administrative sources have the primary importance. Geostat is working with the Ministry of Environment, including through cooperation projects with Statistics Sweden and Polish Statistics, but the progress is not yet tangible.

Economic Structure and Indicators

The regional gross value-added, including disaggregation by economic sectors per capita is available but there is a lot methodological limitations on regional accuracy of indicator at such small territorial units. Since regional accounts rely heavily on business statistics data (production method of GDP calculation is the main one in Georgia), the problem of local enterprise units is present here as well.

Labour Market, Education & Training

In this area there are significant methodological limitations, especially regarding rural underemployment. Starting from 2017 the Integrated Household Survey will be split into Household Income and Expenditure Survey (HIES) and Labour Force Survey (LFS). A separate LFS with a doubled sample size will produce a larger number of indicators, in line with the Eurostat LFS standards. The number of indicators should be developed substantially in order to show broader trends in social and human developments, including indicators such as education (pre-school, school, higher), healthcare, etc. Data on professional education (VET) could also be grouped under this heading.

Income & poverty

Starting from 2017 Geostat will start producing absolute poverty figures using the World Bank basic needs methodology. Availability of absolute poverty statistics will be significantly increased. This part should be extended into social statistics.

Culture and Tourism

Should be developed further. New indicators should include among others tourism traffic (arrivals, beds, overnights, bed occupancy, length of stay, etc.) and number of heritage sites (UNESCO and domestic standards) and visitors to those places.

Table 1. Updated Georgian data series related to the analysis of regional disparities and the future evaluation of RDP.

(Original data series with commentary – to be further elaborated)

	A. Indicator	B. Date of information in RDP	C. Most recent value available and source	D. Geographic level	E. Frequency	Justification
	Population and Demography The recently conducted Census (November 2014) has had important consequences for the demographic data in Georgia. The number of population changed significantly (showing a 15% decrease relative to current statistics) and the age-sex composition was significantly updated. However, a 10-year periodicity of Census is the primary drawback of relying on census data. Another drawback of regional demographic statistics is the lack of age and sex regional composition. Administrative sources of current demographic statistics (vital statistics data					

coming from the Public Service Development Agency and external migration data from Border Police Department) can be only partially used for the purposes of regional demography, as limited migration data (inexistence of current internal migration sources as well as only nationwide applicability of border police data for external migration) does not allow for production of detailed regional population dynamics.						
	Population	Based on Population census of 2002 and subsequent surveys	End 2014 (new 2014 census) - Geostat	Municipality, by urban and rural division	Annual	Census data provide information at the lowest territorial level by age and sex. It can be cross-tabulated with any indicators available in the Census (such as level of education, employment, housing conditions, agricultural activity, etc.). <u>Currently regional population data is available only in total numbers. The main challenge for producing age-disaggregated data by regions is due to migration data (both internal and external)</u>
	Population by sex	As above	End 2014 - Geostat	National	Annual	Lack of regional breakdown – to be improved
	Population by age band	As above	End 2014 - Geostat	National	Annual	Same as above
	Population by ethnicity	2002	Population Census of 2002 –	Municipality		Same as above

			new (2014) data not yet available			
	Number of IDPs	unspecified	September 2014 Ministry of Internally Displaced Persons from the Occupied Territories Accommodation and Refugees of Georgia	Sub-regional locality	Annual	-
Physical Infrastructure						
	Length of road network by category of road	2013	End 2014 - Geostat	Regional	Annual	To be cross-tabulated with size of regions to measure density
	Annual Average Daily Traffic (AADT) for International and National (Secondary) Roads	n/a	2013 - MRDI Roads Department	National	3 times per annum (in spring, summer and winter)	-
	International Roughness Index (IRI) for International and National (Secondary) Roads	n/a	2013 - MRDI Roads Department	National	Annual for International Roads and Bi-Annual for Secondary Roads	Can be removed
	Length of operating railway line	unspecified	End 2014 - Georgian railway Authority	National	Annual (end of year)	-
	Volume of cargo carried by rail	n/a	End 2014 - Georgian railway Authority	National	Annual (end of year)	Must be paired with capacity of main hubs
	Volume of cargo carried by road	unspecified	End 2014 - MOESD	National	Annual (end of year)	Must be paired with capacity of main hubs
	Volume and % of cargo handled by Tbilisi airport	2012	End 2014 - Georgian Civil Aviation Authority	National	Annual (end of year)	-
	Volume and % of passengers handled by Tbilisi airport	unspecified	End 2014 - Georgian Civil Aviation Authority	By airport	End of year	Can be enriched by nationality of tourists
	% of households with internal water supply	2013	2014 – IHS, Geostat	Regional (some combined)	Annual	This indicator must be further investigated;

						not at available from GEOSTAT
	% of households with 24 hour water supply	2000	Georgian Water and Power (GWP) for Tbilisi, Rustavi, Mtskheta and United Water Supply Company (UWSC) for the rest	Specific Cities	Annual	Sam as above (in conjunction)
	Losses from water pipe network	2006	UWSC	Cities	Annual	Not with GEOSTAT but interesting
	% of households with heating/hot water systems	2013	2014 - IHS, Geostat	Regional (some combined)	Annual	
	Amount of electricity produced		2014 - Business statistics	National	Annual	Can be removed
	% of households with electricity connection	2013	2014 - IHS, Geostat	Regional	Annual	-
	% of national demand for electricity met from own resources	2013	2013 Geostat	National (this is really a national issue)	Annual	Can be removed
	% of households with individual electricity meters		Target of 100% by 2016			Can be removed
	% of population with internet access	2013	2014 - IHS, Geostat	Regional (some combined)	Annual	
<p>Business Statistics</p> <p>In recent years improvements in the business register and administrative source data led to an increase in the number of produced indicators at the regional level. Below we list a number of indicators which could be used for the purposes of regional statistics.</p> <p>The main drawback in terms of regional business statistics is in the lack of disaggregation by local enterprise units. This implies that regional disaggregation is done according to the registered/actual address of the enterprise's head office, thus inflating Tbilisi data as the primary destination for large companies which have local units across the country.</p> <p>New indicators are recommended: i) turnover, production, salaries of non-financial corporations, ii) no of registered and active enterprises, iii) construction indicators (turnover, number of construction permits, construction completed in m2)</p>						
<p>The Environment</p> <p>The section on environment seems the most problematic. At present the environmental data on waste, pollution, etc. are not available and it is not clear when the data production will be ensured. Administrative sources have the primary importance. Geostat is working with the Ministry of Environment, including through cooperation projects with Statistics Sweden and Polish Statistics, but the progress is not yet tangible. All indicators shall be carefully considered on account of error likelihood.</p>						

	Air pollution/emissions	2010	2013 - Ministry of Environment	Regional	Annual	Suspend
	Number of households connected to sewerage system	2013	2014 (%) - IHS, Geostat	Regional (some combined)	Annual	-
	Volume/% of solid waste treated to specified standards	n/a	Georgian Solid Waste Management Company	Regional (except Adjara and Tbilisi)	Monthly	Further investigate waste water treatment
	Number/% of environmentally at risk sites provided with protective infrastructure	unspecified	2015 - Georgian Solid Waste Management Company	Regional (except Adjara and Tbilisi)	Annual	Suspend
	Natural hazards and related infrastructure	unspecified	2015 - Georgian Solid Waste Management Company	Regional (except Adjara and Tbilisi)	Annual	Suspend
Economic Structure and Indicators (NB – there are virtually unavoidable methodological limitations on regional accuracy).						
	GVA	2013 - preliminary	National Accounts - Nominal GDP up to mid 2015 by November	National /Regional	Quarterly for national, annual for regional	Temporarily suspend and investigate business turnover
	GVA by sector and activity (primary, secondary, tertiary, agriculture, forestry, construction etc)	2012	National Accounts - Up to 2013 only “Production value by type of ownership” quaterly – national. Up to 2015	National /Regional	Annual	Temporarily suspend and replace by turnover
Labour Market, Education & Training There are significant methodological limitations especially regarding rural unemployment; replace all below by: i) employment indicators, both in absolute numbers and percentages (such as unemployment rate, activity rate, etc.; ii) Number and percentage of unemployed by sex and age group; iii) Breakdown of unemployed by duration of unemployment; iv) VET training indicators: number of students, graduates, and teachers (by sex)						
	Number employed	2013	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number of self-employed	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number employed by sex	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number employed by sector/activity	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment

	Number economically active	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number unemployed	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number unemployed by sex	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number unemployed by age group	unspecified	2014 - IHS, Geostat	National	Annual	See: general comment
	Number unemployed by duration of unemployment	unspecified	2014 - IHS, Geostat	Regional	Annual	See: general comment
	Number of institutions providing VET training (specify public or private)		2014 - Geostat	Regional	Annual	See: general comment
	Number of students admitted to VET courses (by sex)		2014 - Geostat	Regional	Annual	See: general comment
	Number of graduates from VET courses (by sex)		2014 - Geostat	Regional	Annual	See: general comment
	Number of VET teachers (by sex)		2014 - Geostat	Regional	Annual	See: general comment
Investment Innovation and Technological Development						
	Gross fixed capital formation	unspecified	Mid 2015 - National Accounts	National	Quarterly	Only at national level – treat with caution
	Foreign Direct Investment	2014 first quarter	Mid 2015 - Geostat	Regional	Quarterly	-
	Ownership of businesses (Georgian/external) by number of businesses	unspecified	Geostat	Regional	Annual	-
	Ownership of businesses (Georgian/external) by value of output	unspecified	Geostat	Regional	Annual	-
Income & poverty						
Starting from 2017 Geostat will start producing absolute poverty figures using the World Bank basic needs methodology. There will be availability of absolute poverty figures and not rates						
	Poverty rate Share of population under 60% & 40%	2013	2014 - IHS, Geostat	Regional	Annual	Re-consider

	of median consumption					
	Number of subsistence allowance recipients	2014	MoLHSA	Municipal	Annual	Re-consider
Culture & recreation There should be additional data e.g. average duration of overnight stay						
	Number of tourists (external/domestic)	2013	Domestic visitors' survey, Geostat - 2015 Georgian National Tourism Administration	Regional – domestic tourist figures National only for foreign figures	Quarterly Annual only for foreign figures	See: general comment
	Number of tourist accommodation units	unspecified	Georgian National Tourism Administration	Regional	Annual	See: general comment

- **Recommendations for any necessary changes to the collection of socio-economic data in Georgia**

- GEOSTAT is recommended to start capturing specific statistical indicators which are essential for measuring and describing socio-economic disparities;
- There are scores of existing statistics (already captured by GEOSTAT) but never actually used for the purpose of measuring social and economic cohesion in Georgia; these are recommended for the use in 2017, including during programming exercise for the development of 2018-2020 regional development documents;
- There should be equilibrium across various types of statistics; currently there is e.g. overrepresentation of indicators concerning infrastructure to the detriment of indices covering social cohesion aspects – for that some of those can be removed from the future studies;
- Georgian government is recommended to commence talks with GEOSTAT/EUROSTAT on the model breakdown of territorial units for statistical purpose. With the total population of approx. 3.7 million the country could be sub-divided into 2-3 NUTS 2 planning regions and then inform NUTS 3 division.

Annex 1. Georgian data series related to the analysis of regional disparities and the future evaluation of RDP. October 2015

	A. Indicator	B. Date of information in RDP	C. Most recent value available and source	D. Geographic level	E. Frequency
Population and Demography					
	Population	Based on Population census of 2002 and subsequent surveys	End 2014 (new 2014 census) - Geostat	Municipality, by urban and rural division	Annual
	Population by sex	As above	End 2014 - Geostat	National	Annual
	Population by age band	As above	End 2014 - Geostat	National	Annual
	Population by ethnicity	2002	Population Census of 2002 – new (2014) data not yet available	Municipality	
	Number of IDPs	unspecified	September 2014 Ministry of Internally Displaced Persons from the Occupied Territories Accommodation and Refugees of Georgia	Sub-regional locality	Annual
Physical Infrastructure					
	Length of road network by category of road	2013	End 2014 - Geostat	Regional	Annual
	Annual Average Daily Traffic (AADT) for International and National (Secondary) Roads	n/a	2013 - MRDI Roads Department	National	3 times per annum (in spring, summer and winter)
	International Roughness Index (IRI) for International and National (Secondary) Roads	n/a	2013 - MRDI Roads Department	National	Annual for International Roads and Bi-Annual for Secondary Roads
	Length of operating railway line	unspecified	End 2014 - Georgian railway Authority	National	Annual (end of year)
	Volume of cargo carried by rail	n/a	End 2014 - Georgian railway Authority	National	Annual (end of year)
	Volume of cargo carried by road	unspecified	End 2014 - MOESD	National	Annual (end of year)

	Volume and % of cargo handled by Tbilisi airport	2012	End 2014 - Georgian Civil Aviation Authority	National	Annual (end of year)
	Volume and % of passengers handled by Tbilisi airport	unspecified	End 2014 - Georgian Civil Aviation Authority	By airport	End of year
	% of households with internal water supply	2013	2014 – IHS, Geostat	Regional (some combined)	Annual
	% of households with 24 hour water supply	2000	Georgian Water and Power (GWP) for Tbilisi, Rustavi, Mtskheta and United Water Supply Company (UWSC) for the rest	Specific Cities	Annual
	Losses from water pipe network	2006	UWSC	Cities	Annual
	% of households with heating/hot water systems	2013	2014 - IHS, Geostat	Regional (some combined)	Annual
	Amount of electricity produced		2014 - Business statistics	National	Annual
	% of households with electricity connection	2013	2014 - IHS, Geostat	Regional	Annual
	% of national demand for electricity met from own resources	2013	2013 Geostat	National (this is really a national issue)	Annual
	% of households with individual electricity meters		Target of 100% by 2016		
	% of population with internet access	2013	2014 - IHS, Geostat	Regional (some combined)	Annual
The Environment					
	Air pollution/emissions	2010	2013 - Ministry of Environment	Regional	Annual
	Number of households connected to sewerage system	2013	2014 (%) - IHS, Geostat	Regional (some combined)	Annual
	Volume/% of solid waste treated to specified standards	n/a	Georgian Solid Waste Management Company	Regional (except Adjara and Tbilisi)	Monthly
	Number/% of environmentally at risk sites provided with protective infrastructure	unspecified	2015 - Georgian Solid Waste Management Company	Regional (except Adjara and Tbilisi)	Annual
	Natural hazards and related infrastructure	unspecified	2015 - Georgian Solid Waste Management Company	Regional (except Adjara and Tbilisi)	Annual

Economic Structure and Indicators (NB – there are virtually unavoidable methodological limitations on regional accuracy).					
	GVA	2013 - preliminary	National Accounts - Nominal GDP up to mid 2015 by November	National /Regional	Quarterly for national, annual for regional
	GVA by sector and activity (primary, secondary, tertiary, agriculture, forestry, construction etc)	2012	National Accounts - Up to 2013 only “Production value by type of ownership” quarterly – national. Up to 2015	National /Regional	Annual
Labour Market, Education & Training (NB – there are significant methodological limitations especially regarding rural underemployment).					
	Number employed	2013	2014 - IHS, Geostat	Regional	Annual
	Number of self-employed	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number employed by sex	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number employed by sector/activity	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number economically active	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number unemployed	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number unemployed by sex	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number unemployed by age group	unspecified	2014 - IHS, Geostat	National	Annual
	Number unemployed by duration of unemployment	unspecified	2014 - IHS, Geostat	Regional	Annual
	Number of institutions providing VET training (specify public or private)		2014 - Geostat	Regional	Annual
	Number of students admitted to VET courses (by sex)		2014 - Geostat	Regional	Annual
	Number of graduates from VET courses (by sex)		2014 - Geostat	Regional	Annual
	Number of VET teachers (by sex)		2014 - Geostat	Regional	Annual
Investment Innovation and Technological Development					
	Gross fixed capital formation	unspecified	Mid 2015 - National Accounts	National	Quarterly
	Foreign Direct Investment	2014 first quarter	Mid 2015 - Geostat	Regional	Quarterly

	Ownership of businesses (Georgian/external) by number of businesses	unspecified	Geostat	Regional	Annual
	Ownership of businesses (Georgian/external) by value of output	unspecified	Geostat	Regional	Annual
Income & poverty					
	Poverty rate Share of population under 60% & 40% of median consumption	2013	2014 - IHS, Geostat	Regional	Annual
	Number of subsistence allowance recipients	2014	MoLHSA	Municipal	Annual
Culture & recreation					
	Number of tourists (external/domestic)	2013	Domestic visitors' survey, Geostat - 2015 Georgian National Tourism Administration	Regional – domestic tourist figures National only for foreign figures	Quarterly Annual only for foreign figures
	Number of tourist accommodation units	unspecified	Georgian National Tourism Administration	Regional	Annual

Annex II. The regional data base of GEOSTAT currently (January 2017) include following indicators:

Population: Population for the Beginning of the Year, Number of Live Births, Number of Deaths, Number of Deaths by age and sex, Number of Deaths by causes of death, Infant Deaths; Number of Still births; natural increase, Number of Marriages, Number of Divorces.

Human Resources: Number of active population (labour force), employed, hired employed, self-employed, unemployed and population outside of labour force; Rate of unemployment, employment and economic activity.

Business Sector: Main indicators of Business Sector (Turnover, Production value, Number of employed persons, Average monthly remuneration of employed persons) by size of enterprise, ownership types and kind of economic activity.

Industry: Main indicators of industry sector: (Turnover, Production value, Number of employed and employees, Average monthly remuneration of employed persons, Investments in fixed assets, Intermediate consumption, Personnel costs, Value added, Total purchases of goods and services.

Construction: Main indicators of construction sector: (Turnover, Production value, Number of employed and employees, Average monthly remuneration of employed persons, Investments in fixed assets, Intermediate consumption, Personnel costs, Value added, Total purchases of goods and services, Permissions granted for construction and completed objects.

Service areas: Main indicators of trade, transport and communications, hotels and restaurants sector (Turnover, Production value, Number of persons employed and employees, Average monthly remuneration of employed persons, Value added, Investment in fixed assets, Intermediate consumption, Personnel costs, Total purchases of goods and services, Purchases of goods and services for resale).

Standard of Living: Distribution of Households' incomes and expenditures

Health care and social protection: Number of hospitals, number of medical institutions rendering out-patient services to population, number of hospital beds, number of physicians of all specialties and paramedical personnel, number of visits in medical institutions rendering outpatient services to population, number of pension recipients, number of helpless families registered in the unified database and receiving subsistence allowance.

Education: Number of General Education Schools and Pupils in them; Number of Higher Education Institutions.

Culture: Number of cultural institutions (museums, theatres) according to the services rendered (Number of visitors, number of exhibitions and excursions in museums, attendance and number of performances of theatres).

Infrastructure: The percentage share of the households provided with electricity or central system of gas supply, percentage distribution of the households by the basic supply sources of the drinking water. Length of transport ways: a) International road (km.); b) Secondary road (km.).

Agriculture: Crops and crops the area, production and average yield, production of many crops, livestock and poultry livestock, livestock production.

Gross Domestic Product: Gross value added by kind of economic activity.