



# Project Information Document/ Identification/Concept Stage (PID)

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Concept Stage | Date Prepared/Updated: 18-Dec-2018 | Report No: PIDC174980



**BASIC INFORMATION**

**A. Basic Project Data**

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P169599		Low	Georgia: Increasing Institutional Capacity for Innovation
Region	Country	Date PID Prepared	Estimated Date of Approval
EUROPE AND CENTRAL ASIA	Georgia	18-Dec-2018	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Ministry of Economy and Sustainable Development	Georgia's Innovation and Technology Agency	

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**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	3.00
<b>Total Financing</b>	3.00
<b>Financing Gap</b>	0.00

**DETAILS**

**Non-World Bank Group Financing**

Trust Funds	3.00
Miscellaneous 1	3.00

**B. Introduction and Context**

Country Context

**The Country Partnership Framework analysis shows Georgia's growth outlook to be positive over the medium term, to 5 percent by 2022. However, future GDP growth and job creation depend on Georgia's ability to produce and sell goods and services competitively in the global marketplace. Georgia has not yet demonstrated success in tapping into global value chains, or in stimulating innovation as a source of firm-level productivity growth.**



**Creating and sustaining growth in Georgia will require a transition to a productivity-based, innovation- and export-oriented growth model.** Firm-level productivity growth drives overall economic growth. Therefore, a strategy that boosts firm-level productivity, while maintaining macroeconomic stability, is required to unleash the potential of the private sector and help the region to achieve sustainable growth and job creation.

While Georgia has piloted a number of innovation and entrepreneurship programs, including those managed by Georgia's Innovation and Technology Agency, it will take further strengthening of its institutional capacity in order to fine-tune and scale up such programs to make their economic contribution meaningful.

#### Sectoral and Institutional Context

**Georgia's micro, small, and medium enterprises (MSMEs) have been underperforming in the recent decade, and this unmet potential has been one of the causes of Georgia's innovation, productivity, and competitiveness challenges.** MSMEs in Georgia represent over 90 percent of registered businesses and more than 47 percent of formal jobs, but account for less than 20 percent of GDP as compared to global averages of 40–50 percent and 60 percent in the ECA region.[1] Most of this is due to their poor productivity, which is three times lower than that of large enterprises,[2] and to their low rates of innovation. Only 7 percent of Georgian MSMEs surveyed[3] indicated that they had introduced a new or substantially improved product or service in the previous three years (compared to 67 percent in Armenia).[4] Many MSMEs struggle with survival during the first year of operations and still do not have access to external finance in the 4th or 5th year after inception. Hence, few MSMEs in Georgia survive more than five years, and most stay micro and small, with less than 12 employees on average (versus 24 in Armenia and 44 in Azerbaijan). Specialized support to Georgian MSMEs to facilitate market, business, and export development is also very limited.

**The importance of young, innovative firms for employment and growth has been noted in countries around the world.** New firms are much more likely to create new employment opportunities than larger ones. Young companies also introduce competition into markets and create new markets by developing and commercializing new services and products.[5] According to the OECD, there are five key areas of opportunity for unlocking the growth potential of Georgian SMEs by 2020: improving the institutional framework and operational environment, easing access to finance for Georgian SMEs, promoting skills and an entrepreneurial culture, supporting the internationalization of SMEs, and increasing SME innovation, research and development. [6]

**In the context of SME internalization and entrepreneurship promotion,** early stage financing is a key variable. Data recently collected by the World Bank as part of an assessment of the early stage financing landscape in Georgia found the following:



- GITA is an important source of seed stage financing and ancillary services; it provides various ideation, prototyping and startup funding products and over 350 entrepreneurs have received some type of GITA funding since 2014, primarily grants.
- There are no angel investing networks/groups and virtually no small funds or venture capital firms operating in Georgia. However, a small number of individuals interviewed have reported angel investment activity into digital startup firms, and some of them have reported positive returns.
- There is meaningful private sector financier interest in early stage technology companies. Several angel and angel-like investors, acting individually,[7] have previously invested in early stage companies; some of these are still considering new deals, while others have withdrawn from investing due to low returns or limited deal flow of investable opportunities.
- While a number of banks have piloted lending products and non-financing programs targeting SMEs, their scale does not match demand for financing.
- Potential angel investors exist in the country, however, significant promotion, education and facilitation would be required to organize angels into networks/groups.
- There is a low supply of innovative companies with market-ready products. Entrepreneurs lack fundraising know-how and approach investors unprepared.
- The above result in poor/hidden deal flow, low investor confidence in entrepreneurs, a lack of follow-on funding and unclear exit potential hinder investor participation.

**The same data collection effort also revealed an acute lack of information exchange in the ecosystem, particularly between public and private funding entities.** Specifically, Investors are unfamiliar with many GITA programs and funding products, as well as the activities of other financiers. Private sector actors largely act independently and rely on their own sources for information on startup happenings. These finding point to a significant opportunity for GITA to contribute to unlocking the potential of SMEs to boost economic growth, by removing mainly informational barriers between early stage companies and investors.[8]

**In the context of promoting SME innovation and research and development capabilities, a recent (2015) report on Georgia’s potential for technology transfer points to a number of opportunities, specifically in the capital of Tbilisi.[9]** According to the report, Tbilisi universities and institutes house a critical mass of experienced and young scientists and engineers, to allow for technology transfer and commercialization in biotechnology and life science defined as broadly as possible from food production and nutrition to state-of-the art bioscience and related technologies. Specifically, “world class intellectual and technical assets available in Georgia’s research institutes in Bacteriophages, Microbiology and Virology, and in Diagnostics, specialized applications of Physics and Chemistry, and Secondary Products from Waste drive this cluster



choice.” The report recommends the creation of a central technology transfer office (TTO) and a technology transfer program to increase awareness among researchers and innovative SMEs of the technology transfer process, protection of IP, and explore possibilities for the creation of spin-off companies commercialize emerging technologies. Further analysis is necessary to determine the best options for technology transfer in Georgia, and this analysis, as well as the subsequent recommendations, could be formulated in partnership with the Joint Research Center.

## Counterpart Strategy

**With support of the World Bank and other development partners, Georgia has launched a number of initiatives and established a number of agencies to facilitate innovation and entrepreneurship.** Georgia’s Innovation and Technology Agency (GITA), in particular, is tasked with creating a functioning innovation ecosystem through a range of programs and policy reforms. Founded in 2014, GITA is a young agency whose ability to meet growing demand for its services will benefit from additional coordinated support. GITA is implementing measures supporting innovation, particularly programs advancing private and public sector knowledge, innovation, commercialization of research, and promoting innovative entrepreneurship.

**In late 2014, GITA launched a small grant program for technology innovation open to individuals, NGOs, research organizations and universities.** Grants of up to GEL 50,000 (about USD 22,000) were awarded to proposals aimed at establishing and/or further developing the commercial viability of a new technology-based product, process or service and finding new applications for existing technologies. The competition was well-received and generated significant interest: 150 applications across a variety of technological fields were received out of which 17 projects were approved for financing. While the program was a strong initial start, additional financing mechanisms on a larger scale will be needed to address constraints to financing faced by innovative firms. The program also revealed some weaknesses in the capacity of many applicants to prepare and present grant proposals.

**GITA in partnership with the private sector inaugurated the Technology Park in Tbilisi in January 2016, planned to anchor a proposed national network of innovation centers aimed at stimulating innovative activities and promoting awareness of the benefits of innovation.** It is also in the process of partnering with the Georgian National Academy of Sciences (GNAS) to establish a bio-technology center that will help Georgia realize its market potential in innovative applications of indigenous bacteria, enzymes, and phages. Furthermore, GITA has piloted two fabrication labs (Fab Labs) and three innovation labs (iLabs) in Tbilisi—



some in collaboration with the private sector. In collaboration with the Georgian National Communication Commission (GNCC), GITA has launched the “OpenNet” initiative to construct a national broadband network that will provide broadband Internet connectivity to about 2,000 villages across Georgia with at least 200 inhabitants and that are currently not (and unlikely to be) connected by commercial Internet Service Providers (ISPs). Though a capital investment of about USD150 million the initiative aims to extend broadband internet coverage about 90 percent of the population. “OpenNet” seeks to trigger private investments into rural infrastructure via lowering the market entry barrier for rural ISPs.

**GITA is also the implementation agency for the Government’s innovation program supported by a US\$40 million (approximately GEL 100 million) World Bank loan under the Georgia National Innovation Ecosystem (GENIE) Project.** The Project’s development objective is to increase innovative activities of firms and individuals in the Borrower’s territory and their participation in the digital economy. It will do so by carrying out a number of activities to mobilize more rural inhabitants and businesses to participate in the innovation- and knowledge-based economy by developing their skills and expanding their access to innovation infrastructure, services, and financing.

[1] Papiashvili, Tatiana (2012), “The Role of SME Sector in Georgian Economy”.

[2] National Statistics Office of Georgia, annual publication:

[3] Data from 2013, latest available.

[4] World Bank, Fostering Entrepreneurship in Georgia, 2013

[5] For instance, see Kauffman Foundation (2015), “The Importance of Young Firms” <https://www.kauffman.org/what-we-do/resources/entrepreneurship-policy-digest/the-importance-of-young-firms-for-economic-growth> and “Lederman, Daniel; Messina, Julián; Pienknagura, Samuel; Rigolini, Jamele. 2014. Latin American Entrepreneurs: Many Firms but Little Innovation. World Bank Latin American and Caribbean Studies;. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/16457> License: CC BY 3.0 IGO.”

[6] [http://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Recommendations\\_for\\_Georgia\\_SME\\_strategy.pdf](http://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Recommendations_for_Georgia_SME_strategy.pdf)

[7] Angel investing in startup technology companies is a relatively new phenomenon in Georgia and while the terminology and practice in some instances resembles structured angel investing taking place in more advanced markets, significant distinctions are present. For instance, investors interviewed in Georgia may not be using formal investment documents and company governance structures may not be in place. Further, some of the early stage investors interviewed are using alternative (non-personal) sources of funds raised



through private sector partnerships or private investment vehicles to make investments into early stage companies. “Angel-like” as a term is thus used here to acknowledge that some of the activity identified in Georgia includes angel-stage investments and non-capital value add, but lacks some of the angel industry conventions.

[8] Bauman, J. and Andjelkovic, M. (Forthcoming). Digital Entrepreneurship Ecosystem Assessment: Supply of Early Stage Financing in Georgia. World Bank.

[9] Capital City Venture. (2015) Assessment Report: Research & Development Projects of Georgia

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#### Relationship to CPF

Georgia’s Country Partnership Framework notes that Georgia’s growth potential could be enhanced by improving access to finance and markets and facilitating innovation: "Access to finance remains a constraint, specifically for small and medium enterprises (SMEs). This calls for action to ensure that the banking system remains on a solid footing, and to develop alternative, affordable sources of long-term finance through the development of a capital market. In addition, supporting Georgia’ capacity for innovation hold the promise of further improvements in productivity and export potential. The government intends to move toward an innovation-based economy, supported by a combination of technical, entrepreneurial, and managerial skills development. Improving financing for innovation and encouraging collaboration between the public and private sectors can bring the results of research and development activities to market." (Georgia CPF FY19-FY22, p.10)

By focusing on the institutional capacity to support innovation, as well as specifically targeting investment readiness of firms, along with technology transfer readiness of innovations, the Project directly addresses the gaps in financing for innovative SMEs, and Georgia’s overall capacity to support research-industry collaboration in pursuit of transition to an innovation-based economy.

### C. Project Development Objective(s)

#### Proposed Development Objective(s)

The overall objective is to increase the capacity of Georgia’s agency responsible for innovation and entrepreneurship to effectively coordinate the Government’s approach to innovation and entrepreneurship policy formulation and implementation. The project has the following goals: a. increasing the agency’s capacity to develop and implement (in-house) innovation and entrepreneurship policies and programs with medium- and long-term strategies and results; b. testing (and demonstrating) the viability of technology transfer in Georgia; and c. improving the deal flow of innovative startups ready for investment, and of funding availability for early-stage companies;



Key Results

**Result 1. Increased capacity of GITA to design and implement innovation financing programs**

**Result 2. Effects of Innovation Support demonstrated through a Technology Transfer Pilot Program**

**Result 3. Private Capital Crowded-in through Improved Early Stage Co-investment Schemes**

**D. Preliminary Description**

Activities/Components

**Component 1: Increasing Institutional Capacity of Georgia's Innovation and Technology Agency (GITA)**

**Founded in 2014, GITA is itself in the process of transitioning from “start-up” mode to being a “full-fledged” innovation agency. In order to complete this transition, GITA will need to further its capacity to be a pillar of Georgia’s innovation ecosystem.** This implies building a set of in-house competencies that are typical of similar organizations, for planning core operations as well as designing, implementing and monitoring discrete projects and interventions.

The capacity building will be anchored in the development of a three-year strategy and detailed work program, budget, and staffing plan, along with training in innovation and entrepreneurship policy development and implementation, spanning support for a) incentivizing technology transfer and promoting collaboration between public research institutes and industry, and b) early stage financing.

**In addition, the training plan for GITA staff and consultants will be updated based on a new assessment** (following up on a previous assessment conducted in 2015 by the World Bank[1]), and specific trainings will be provided on program and project management, procurement, team building, records management, and budget management and forecasting, among other topics. The specifics will be determined based on the assessment and results achieved by GITA up to the date of project commencement, and based on needs agreed between GITA and partners.

Expected results include the development of GITA’s operational strategy, as well as the successful deployment of a Technology Transfer service offering, and an investment readiness program.

The following activities are envisioned:

**1.1.** Identification of innovation and technology promotion agencies with similar mandates in the EU, with a summary of their basic characteristics. This work will also take into account recent research on innovation agencies conducted by the World Bank, which includes a case study on GITA. The research will identify support needs of GITA to be covered by this or other programmes. [2]

**1.2.** Support to GITA for developing its strategy and work program. The basis for this work will be interviews and focus groups with GITA team and stakeholders, along with document review of strategies of similar

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agencies in the European Union. The activity will result in the development of a 3-5-year strategy, work program and budget. An updated staffing and training plan will also be developed, focused on innovation and entrepreneurship policy development and program implementation, spanning startup and SME support, early stage financing, and technology transfer and commercialization

**1.3.** Training for GITA management, staff, and consultants on institutional operations topics. This will include a minimum of six (6) workshops on the best practices for 1) institutional strategy development, 2) policy development, 3) program and project management, 4) stakeholder engagement, 5) fundraising and budgeting, and 6) monitoring, evaluation, and reporting.

**1.4.** Assessment of technology transfer potential. This task would allow for collection of quantitative data related to technology transfer based on document review, as well as qualitative data from researchers at universities and research institutes, as well as employees of private sector companies or associations interested in technology transfer. Two models of technology transfer will be considered during this analysis:

- 1. Commercialization of science (push):** this model involves one centralized commercialization team initiating deals with correspondents in research and development Institutions across the country, to detect projects with commercialization potential using a standardized methodology. The World Bank will be testing if a critical mass of “knowledge goods” could be commercialized justifying the creation of such a national mechanism. The testing would be carried out by GITA with World Bank support, and would concentrate on testing the methodology in a limited number of R&D institutions, while developing a commercialization model adapted to the potential deal-flow of projects.
- 2. Demand driven research (pull):** GITA consultants will work with groups of private sector actors to detect clear demand for research and estimates of timelines, financial contributions, etc. Once demand is established, the consultants will determine if Georgian R&D teams (from one or more institution) are capable and willing to provide solutions that are well-adapted to the local context. This process will be tested in a limited number of sectors (e.g. 2-3).

**Action 1.5.** Training for GITA staff and consultants on technology transfer, which will be based on “learning by doing,” facilitated through mentoring by experienced international experts, and will include a minimum of two full-day workshops. It may also include study tours and customized seminars by expert consultants on specific topics of interest. The curriculum will focus on basic technology transfer topics and the technology transfer process, with an emphasis on knowledge necessary to support transactions. This action will be complemented by an evaluation of GITA’

**Action 1.6.** Assessment of potential for GITA’s role in improving early stage financing in Georgia, via collection and analysis of data obtained through expert interviews, focus groups, and document review. Respondents will include GITA management, staff, consultants, beneficiaries (past grant recipients and potential applicants), early stage investors, and other stakeholders. Data collected will be analyzed to determine the optimal design of investment readiness programs and investor cultivation programs to support GITA’s existing early-stage grant and co-investment schemes. The analysis will include data available to date on GITA-run programs such as Startup Georgia, and the Matching Grants under the GENIE Project. It



will also take into account and expand on the findings from the Early Stage Financing Assessment conducted by the World Bank in 2017.[1]

**Action 1.7.** Training for GITA staff and consultants on early stage financing (consisting of support to firms for investment readiness and strategies for investor cultivation), which will include workshops and may also include study tours and customized seminars delivered by expert consultants.

[1] Report forthcoming, draft available on request.

## Component 2. Demonstrating Innovation Support Effects through a Technology Transfer Pilot Program

Pending successful capacity building of GITA as deemed by the evaluation under Action 1.5, a Technology Transfer Pilot Program[4] (TTPP), operating within GITA, will have the objectives to:

1. Build capacity of GITA and public partner organizations (to be selected by GITA) in technology transfer and commercialization process, from the initial disclosure until deal closing, and
2. Test whether commercialization of inventions originating in public research and development institutions in Georgia are viable, and if so, demonstrate such viability;

The TTPP team (within GITA) will work with universities (primarily, but not necessarily limited to those in Georgia), including faculties and research and development institutes, as well as with the private sector, in order to:

- Identify projects with commercial readiness (triage)
- Obtain disclosures from researchers
- Fund activities that increase the technology readiness levels of inventions (up to a per-project ceiling to be determined, (for instance, in the range between EUR 20,000 and EUR 40,000)
- Assist researchers in developing and implementing a commercialization roadmap, including as it pertains to sourcing additional financing from external sources, and identifying key partners
- Demonstrate viability of technology transfer by successfully closing transactions (from negotiating to contracting stages) and providing support in the process (contract research, IP database search and competitive analysis, etc.)
- Monitor outcomes and recommend further steps necessary for successful commercialization



This program will be executed by GITA, with technical assistance provided by the World Bank under the above Bank-executed component on capacity building for GITA. Expected results would include the establishment of a Technology Transfer Pilot Program, deployment of multiple service lines, and assistance in initiating technology transfer transactions. An evaluation of the Pilot would also be completed.

*The following activities are envisioned:*

**2.1.** Assistance to GITA in preparation and execution of the Technology Transfer Pilot Program (TTPP). This will include reviewing the TTPP manual, Terms of Reference documents, and development of the application portal and materials (application guide, application forms, reporting forms, contracting templates, etc.) and materials related to applicant outreach.

**2.2.** Supervision and evaluation of the TTPP implementation. This will include technical support in the application evaluation process, awarding grants, supporting grantees in pursuing technology transfer transactions[5], and evaluating regular grantee progress reports. At the end of the first year of the TTPP, the Bank team will evaluate the Program based on interviews with applicants, beneficiaries, GITA staff and consultants, and other stakeholders. The Bank will produce a report outlining findings and recommendations for establishing a regular technology transfer program, if this is found to be viable. The analysis will also consider the Intellectual Property Rights Framework.

**2.3.** Management of the TTPP recipient-executed grant component (to be managed directly by GITA), including reporting

### **Component 3. Crowding-in Private Capital through Improved Early Stage Co-investment Schemes**

**While some grant financing for innovative firms is available in Georgia, including a number of schemes run by GITA, few programs take an “investment chain” approach**, whereby grants are disbursed along with investment readiness programming for companies and potential investors and sequenced to follow the growth path of a company.

**To address this, the component will focus on making technical improvements to existing programs run by GITA, through**

1. the introduction of mentoring-based “investment readiness” training for companies receiving grants from GITA, focusing on ensuring consistency in financial reporting and forecasting, developing a complete “pitch deck” with standard information required by investors, and increasing presentation and negotiations skills, along with
2. an investor cultivation program, aimed at increasing GITA’s capacity to support for Georgia’s fledgling angel investor networks, including introduction of systematic management of investor contacts, assigning tier-levels to these contacts depending on their interest and ability to support GITA’s beneficiary entrepreneurs, implementing a customized, database-driven communications strategy



with individual investors, and increasing the investors' awareness of investment opportunities through personalized introductions to vetted startup companies.

These will be complimentary to, and coordinated with existing programs, including the matching grants under the GENIE project (a US \$2 million scheme that awards co-investment grants to innovative startups that have also secured matching private investment), and loan funds under Start-up Georgia, a Government-funded, GITA-executed fund (total fund size of GEL 1,5 million, or USD 650,00); preparatory work could pave the way for eventual venture capital (VC) investments with positive returns, through a demonstration effect of valuable dealflow (a full-fledged VC fund would not be viable at this stage). The activity would be managed by GITA, however, technical assistance for the activity would be provided by the World Bank through the above-mentioned Bank-executed component.

Expected results include Increased access to finance for innovative firms and increased ability of potential early-stage investors to make investments into innovative sectors and firms.

The following activities are envisioned:

**3.1.** Assistance to GITA in preparation and execution of the investment readiness and investor cultivation programs. This will be implemented in complementary fashion to existing financing and startup support programs and will include preparation of the investment readiness manual and consultant terms of reference, adjustments to the existing GITA Matching Grants application portal and related materials (if deemed necessary), promotional materials, and investor outreach. Depending on interest, this may also include the adaptation and translation of the *"Guide to Creating Your Own Angel Investment Group,"* developed by the Kauffman Foundation and the World Bank.[6] The task will be carried out in parallel with supervision of the Innovation Financing Component of the GENIE Project.

**3.2.** Supervision and evaluation of implementation of the investment readiness and investor cultivation programs. This will include technical support in the application evaluation process, delivery of investment readiness workshops and mentoring sessions, delivery of investor outreach and training on angel investing. At the end of the first cycle of the investment readiness program and investor outreach program, the World Bank team will conduct an overall evaluation of the two based on interviews with applicants, beneficiary entrepreneurs, investors, GITA staff and consultants, and other stakeholders. The Bank team will produce a report outlining the findings and specifying recommendations for improving existing and potentially designing new programs, to ensure coherent support for new firms along the investment chain.

[1] World Bank. (2015). Competitive Industries and Innovation Program (CIIP):

Training Needs Assessment for Georgia's Innovation and Technology Agency (GITA).

[2] Kapil, N., Aridi, A. & Ytreland, A. (Forthcoming.) Innovation Agencies. World Bank.



[3] Report forthcoming, draft available on request.

[4] The subcomponent was renamed at the request of GITA

[5] For a simplified rendition of the technology transfer process, see <https://tlo.mit.edu/learn-about-intellectual-property/technology-transfer-process>

[6] World Bank. (2014) Creating Your Own Angel Investor Group: A Guide for Emerging and Frontier Markets. Washington, DC: World Bank.

### **Reporting, Monitoring and Evaluation**

Formal reporting will consist of an annual progress reports presented to the EU Delegation 12 months after the project signature, and recurrently on an annual basis. The final report (for the entire project duration) will be submitted not later than 6 months after the project closing date. For the RETF, the WBG will produce bi-annual Implementation Status Reports (ISRs) and the Implementation Completion Memorandum 6 months after the RETF closing date. Upon agreement with EU, the WBG team will provide updates on the project progress during the WBG missions' visits and will prepare bi-annual flash reports (1-2 pages) with the brief overview of the main progress and outstanding issues.

As part of the European Union's 2017 programme on "Economic and Business Development" in Georgia, the EU Delegation and the Georgian authorities (under coordination by MoESD, and in cooperation with MoJ and NBG) will establish a coordination mechanism to coordinate the activities under that broader programme. This coordination mechanism shall cover overall as well as thematic aspects of the programme. The World Bank will be party to the coordination mechanism and will provide updates on implementation status and highlight progress and challenges where thematically relevant. In addition, the World Bank will closely involve the EU Delegation in policy dialogue especially on areas covered by the EU Budget Support component and will actively participate in thematic coordination with the other projects under the overall EU programme.

The WB will develop a Communication and Visibility Annex for the program providing a framework for communication and visibility activities targeted to wider groups and public. This annex will elaborate the proposed communication tools to be used, groups to be reached and the main topics/messages to be disseminated with an indicative timing included where possible. During implementation of the program, the Bank team will discuss and agree on communication and visibility plans annually in collaboration with the EU delegation.

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### **Environmental and Social Standards Relevance**



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**E. Relevant Standards**

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Not Currently Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

**Legal Operational Policies**

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	Project activities will not be affected or be affected by international waterways.
Projects in Disputed Areas OP 7.60	No	Project activities will not be implemented in disputed areas.

**Summary of Screening of Environmental and Social Risks and Impacts**

At this early stage of project preparation, social and environmental risk is expected to be Low. The implementing agency has some experience and familiarity with World Bank's former safeguard policies, and a good track record of environmental and social monitoring. Relevant procedures and additional mitigation measures to be put in place for the current project will be described in ESCP as well as in the POM, ESMF and GSOM.

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