



ევროკავშირი
საქართველოსთვის
The European Union for Georgia



GEORGIA FINANCIAL INCLUSION AND ACCOUNTABILITY



The project is implemented by the World Bank Finance, Competitiveness and Innovation (FCI) and Governance (GOV) Global Practices, in close partnership and cooperation with the National Bank of Georgia (NBG), Ministry of Economy and Sustainable Development (MOESD), Insurance State Supervision Service of Georgia (ISSSG), State Service for Accounting, Reporting and Auditing Supervision (SARAS) and other private and public stakeholders.

This technical assistance project is funded by the European Union and implemented by the World Bank. The Project budget amounts Euro 4.5 million and the implementation period spans 2019-2022.

Rationale

Georgia has achieved significant progress in implementing fundamental first-generation business environment and financial sector reforms. Over the past decade Georgia

has been the front runner in implementing tax, customs, anti-corruption, business environment, governance and financial sector reforms, as recognized by the Doing Business Report and other international ranking surveys.

However, second generation reforms initiated by the authorities for SME development, skills advancement, boosting productivity, scaling up and supporting SMEs internationalization for more competitive exports and sustainable jobs, are more complex and need support. In addition, many structural reforms and business development require longer term affordable local currency finance, which remains largely inaccessible in Georgia.



The project is designed to continue the ongoing dialogue and support the authorities of Georgia in design and implementation of reforms that lay down the core foundations needed to foster financial sector diversification and deepening, improve financial inclusion for underserved clients, and build up foundations for more competitive, transparent, better governed institutions and markets.



Objective

To strengthen key elements and lay the foundations for enhancing financial inclusion and accountability.

Through:

- Supporting enabling framework for capital market development
- Supporting enabling framework for insurance market development
- Improving financial infrastructure and responsible financial inclusion framework
- Promoting better corporate and SOE governance and reporting.

Expected results*:

1. Capital Market Development

- Capital market legal and regulatory framework modernized
- Capital market infrastructure (trading) oversight enhanced
- Market awareness and enabling environment for fixed income products improved

2. Insurance Reform

- Enabling framework for development of new insurance products established

- Insurance market is expanded through introduction of insurance products

3. Responsible Financial Inclusion

- Responsible Finance strategic framework established
- Financial Infrastructure for responsible finance enhanced

4. Better Financial Information and Accountability

- Accounting frameworks for SMEs developed and the respective capacity of SMEs increased
- Capacity of Small and Medium Accounting Practices enhanced
- Governance and Public Accountability of State Owned Enterprises streamlined
- Accounting and Auditing Quality Control enforced
- Accounting Education improved

* The results are expected to become tangible upon completion of the project and beyond

This project is part of and contributes to the World Bank Group support to Georgia under the Country Partnership Strategy for 2018-2020 and the EU's Single Support Framework (SSF) 2017-2020 for Georgia.

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