

HARMONIZATION PLAN

For Gradual Introduction of the Eurostat NUTS Classification of Regional Statistics in Georgia

(UNOFFICIAL TRANSLATION)

Prepared by the Interagency Working Group of GEOSTAT and the Ministry of Regional Development and
Infrastructure of Georgia (MRDI)

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Preamble

At the initiative of the Ministry of Regional Development and Infrastructure of Georgia (MRDI), a special report was prepared in 2020 “*On application of the EU NUTS methodology in Georgia and its practical implications*”.¹ The aim of the study was to prepare scenarios² for the use of the nomenclature of territorial units for statistics (Nomenclature des Unités territoriales statistiques – NUTS) classification and propose it to the Government of Georgia (GoG).

NUTS is used in the European Union as a tool for organizing a common socio-economic statistical data system and policy making (including the EU Cohesion³ policy framework), as well as a tool for monitoring and evaluating the effectiveness and efficiency of these processes. The NUTS classification combines data at the level of territorial units in each EU member state.

According to the National Strategy for the Development of Statistics in Georgia 2020-2023, the national system of statistics should fully implement modern international methodologies and classifications, including NUTS to assess the prospects for use. In addition, in accordance with the EU-Georgia Association Agenda for 2021-2027, Georgia should ensure the introduction of the NUTS classification by 2027.

In accordance with the recommendations integrated in the study and the indicative action plan, a special interagency working group was set up, involving the representatives of the Ministry of Regional Development and Infrastructure, the National Statistics Office (Geostat) and invited experts, as well as an ad hoc member nominated by Eurostat. Within its frameworks, the scenario of dividing the country into statistical regions was discussed. During the work on the survey, an *initial, indicative action plan* for the introduction of NUTS in Georgia was also prepared⁴. The plan was reviewed and approved by the special interagency working group. All stages of the implementation of NUTS in Georgia and, accordingly, all activities were determined in accordance with this plan. In addition, recommendations on the development and coding of the register of regions for NUTS were prepared.

Initially, priority databases for NUTS levels were agreed upon (total of 5 primary databases), for which, for the first stage, an inventory and assessment of existing data in Georgia was carried out. These databases are as follows:

- **Regional education statistics**
- **Regional science and technology statistics**
- **Regional transport statistics**
- **Regional labor market statistics**
- **Regional environmental and energy statistics**

At the next stage of work (summer 2021), the availability of 109 indicators of the above mentioned 5 databases was assessed. From the analyzed 109 indicators, the status “*available*” was assigned to 17 indicators, “*partially available*” to 57, and “*not available*” to 35 indicators. Accordingly, the number of indicators, the production of which requires additional effort or resources, were 92. Subsequently, from these 92 indicators, 20 indicators were selected and the financial and human resources required for the production of each of these indicators were assessed. The evaluation of selected 20 indicators showed that the mobilization of all resources required for these indicators would allow a production of additional 24 indicators.

In total, it was revealed that with this resource, Georgia will be able to produce 44 NUTS indicators. The production cost of each is calculated based on estimates and is approximate at this stage. In addition, it should be noted that the production of specific indicators will be possible if appropriate financial and other necessary resources are allocated.

¹ <http://mrdi.gov.ge/pdf/60ffce587bc8a.pdf/კვლევა%20EU%20NUTS%20სამომავლო%20დანერგვის%20მეთოდოლოგიის%20შესახებ.pdf>

² Of the 4 suggested scenarios considered in the study, preference was given to the 4th option (**see Annex 1**), in which case, Georgia is divided into **3 NUTS 2** (West Georgia, East Georgia, and Tbilisi) and **10 NUTS 3** regions. At the same time, it fully fits the existing administrative division in the country, its management, and is also in line with the production of regional statistics.

³ Regional development and equalization. Cohesion Policy is the EU's main investment policy, which contributes to strengthening economic, social and territorial cohesion in the European Union. It aims to correct imbalances between countries and regions.

⁴ <http://mrdi.gov.ge/pdf/60ffce403f26e.pdf/ინდიკატორების%20სამომავლო%20დანერგვის%20სამომავლო%20დანერგვისთვის.pdf>

In spring of 2022, in accordance with the initial plan for the harmonization of statistics, the evaluation of the next stage 5 databases took place. These databases are as follows:

- **Regional agriculture statistics**
- **Regional structural business statistics**
- **Regional business demography (Business Register)**
- **Regional tourism statistics**
- **Regional labor cost statistics.**

These 5 databases include a total of 66 indicators. Accordingly, the availability of all 66 indicators was evaluated. They are assigned a status of "available", "partially available" or "not available". Accordingly, the status "available" was assigned to 10 indicators, "partially available" to 20, and "not available" to 36 indicators. The number of indicators, the production of which requires additional effort or resources, amounted to 56. From these 56 indicators, 14 priority indicators were selected and the financial and human resources required for the production of these indicators were assessed. It should be noted that all four indicators of the regional business demographics group are available in Georgia.

The evaluation of the selected 14 indicators showed that the mobilization of the necessary resources for these indicators and the implementation of appropriate actions provide an opportunity to produce additional 11 indicators. Overall, it was revealed that with this resource, Georgia will be able to produce 25 NUTS indicators. The production cost of each is calculated based on estimates and is approximate at this stage. In addition, it should be noted that the production of specific indicators will be possible if appropriate financial and other necessary resources are allocated.

In the summer of 2022, in accordance with the primary plan for the harmonization of statistics, the next stage 6 databases were evaluated:

- **Regional demographic statistics**
- **Regional economic accounts**
- **Regional health statistics**
- **Regional digital economy and society**
- **Regional poverty and social exclusion statistics**
- **Regional crime statistics.**

The databases include a total of 116 indicators. Accordingly, an assessment of the availability of all these indicators was carried out. They are assigned a status of "available", "partially available" or "not available". The status "available" was assigned to 62 indicators, "partially available" to 14, and "not available" to 40 indicators. The number of indicators, the production of which requires additional effort or resources, amounted to 54. From these 54 indicators, 14 priority indicators were selected and the financial and human resources required for their production were assessed. It should be noted that the indicator of crime statistics at regional level, is available in Georgia, it represents administrative statistics, and its production is possible without additional resources. The evaluation of the 14 selected indicators showed that the mobilization of the necessary resources for these indicators and the implementation of appropriate actions provide an opportunity to produce additional 9 indicators. Overall, it was revealed that with this resource, Georgia will be able to produce 23 NUTS indicators.

The combined results of the accessibility assessment of all 16 database indicators of the analyzed NUTS regional statistics classification are presented in the table below.

Number of indicators	Available	Partially available	Not available
291	89	91	111

Thus, as can be seen from the overview above, a total of 48 indicators (20 from the first 5 databases, 14 from the second 5 databases, and 14 from the third 6 databases) were selected to estimate the resources required for the

production of indicators from 16 databases. As the analysis of the resources needed for the production of these 48 indicators showed, if the resources needed for their production were allocated, it would be possible to produce an additional 44 indicators. In total, the work performed (estimation of resources required for production) covered 92 indicators, which represents 45% of the indicators with status "partially available" (91) and "not available" (111). Information about all 291 indicators is provided in the attached documents.

It should be noted that Eurostat is constantly working on the gradual improvement of the system, as many countries cannot provide all data preparation and not all countries' statistical systems have the capacity to produce all NUTS indicators.

As a result of the assessment of resources, it became possible to prepare a plan for the harmonization of statistics, which essentially corresponds to the thematic commitments envisaged through EU-Georgia Association Agenda.⁵

The development of this plan was supervised by a special interagency working group, which included not only Geostat and the Ministry of Regional Development and Infrastructure of Georgia, but also representatives of other agencies (administrative sources).

⁵ EU-Georgia Association Agenda for 2021-2027, **Item 6 - "Statistics"**, and **Item 7.5 - "Regional development and cooperation at the regional level"**.

Harmonization plan

Eurostat's regional statistics for NUTS levels include 16 databases. In total, these databases contain 291 indicators. Depending on the priority, within the framework of the inter-agency working group, all sixteen databases for the NUTS levels, as well as individual indicators necessary for the implementation of the European platform for "Smart Specialization" (S3), were gradually selected and agreed. Therefore, the primary components of the Harmonization Plan included only those databases for which the availability of resources was assessed and after the work was completed, they were combined into a single work plan. Below is the work plan, both for each data set separately and combined. The work plan includes 14 data groups, as for two data groups (regional business demography (business register) and regional crime statistics) all indicators are available.

Regional education statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Actualization of private preschool educational institutions	Conducting actualization survey	Geostat	2025	85 000 GEL
Authorization of private preschool educational institutions	Implementation and completion of the authorization process	Ministry of Education and Science	2025	-----
Inclusion of private preschool educational institutions in the survey	Collection of information on private preschool educational institutions by local self-government bodies	Local self-government bodies	2026	-----
Building the capacity of Geostat staff to produce education statistics at regional level, including study of the ISCED-F 2013 classification	Formation of a working group to study the classification	Geostat Ministry of Education and Science	2024	It will depend on the volume of work
Cooperation with the Ministry of Education and Science in the area of including private preschool educational institutions in statistical survey.	Formation of working group	Ministry of Education and Science, Geostat	2024	-----

Objective	Action	Responsible agency	Implementation deadline	Cost
A pilot survey in business statistics to determine expenditure and employment on research and development in the relevant sector	Conducting survey	Geostat	2024	100,000 GEL for the pilot and annually thereafter
Updating the statistical survey of non-commercial and non-profit organizations to determine R&D related expenditures and employment in this sector	Increasing sample of non-profit, non-commercial organizations in statistical survey	Geostat	2024	10,000 GEL annually
Building the capacity of Geostat employees to become aware of the methodology for identifying research and development expenditures and employment, including study of the field of Research and Development classification (FORD 2007)	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat	2023	It will depend on the volume of work
In order to get acquainted with the methodology of identifying research and development costs and employment, building the capabilities of the employees of Geostat and the Ministry of Finance, including studying the classification of Nomenclature for the analysis and comparison of scientific programs and budgets (NABS 2007)	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat, Ministry of Finance	2023	It will depend on the volume of work
Building the capacity of Geostat employees to familiarize themselves with the survey methodology for employment in the technological and scientific sectors	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat	2023	It will depend on the volume of work
Cooperating with the Ministry of Finance to determine expenditures and employment in research and development	Formation of a working group	Geostat, Ministry of Finance	2023	-----
Cooperation with Sakpateni to agree on a format for receiving data on updated patent applications	Formation of a working group	Geostat, Sakpatenti	2023	-----

⁶ The indicators of this group are related to the indicators of the new European platform for development planning to be implemented in Georgia - "smart specialization" (S3), on which the necessary resources have already been assessed. Work on both the other primary components of the Harmonization Plan, as well as the indicators for "smart specialization" among them, should be carried out jointly, and starting work on them is a priority of the first stage.

Regional labor market statistics⁷

Objective	Action	Responsible agency	Implementation deadline	Cost
Production of labor statistics with NUTS classification	Production of available indicators at the regional level	Geostat	2024	Update on the Labor Force Survey
Development of a plan for improving production of labor statistics by NUTS classification	Develop a plan for the production of additional labor market indicators, taking into account the sample size and resources of existing surveys	Geostat	2025	Update on the Labor Force Survey

Regional transport statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
A pilot survey to obtain annual traffic data for road transport	Conducting survey	Geostat	2025	230 000 GEL for pilot
Processing of revenue service data to obtain data on the annual turnover of road transport	Database processing	Geostat	2025	50 000 GEL for pilot
Building the capacity of Geostat employees to raise awareness of the methodology of statistical survey on road transport, including the study of the Standard Goods Classification for Transport Statistics/Revised (NST/R) classification	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat	2024	It will depend on the volume of work
Cooperation with the LEPL Civil Aviation Agency in order to receive data on passenger and cargo flows at the airports of Georgia	Formation of working group	Geostat, LEPL Civil Aviation Agency	2023	-----

⁷ The indicators of this group are related to the indicators of the new European platform for development planning to be implemented in Georgia - "smart specialization" (S3), on which the necessary resources have already been assessed. The work on both the other primary components of the harmonization plan, as well as on the indicators of "smart specialization" among them, should be carried out jointly, and starting work on them is a priority of the first stage.

Cooperation with JSC Georgian Railways in order to receive data on passenger transportation and cargo turnover by railway	Formation of working group	Geostat, Georgian Railways	2023	-----
Creating an updated ticketing system	Implementation and completion of the project	Georgian Railways	2023	-----
Improvement of recording the volume of received and sent cargoes	Developing software	Georgian Railways	2023	10 000 GEL

Regional environmental statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Cooperation with the Ministry of Environment Protection and Agriculture in order to produce an indicator of freshwater resources of the river basin	Formation of the working group	Geostat, Ministry of Environment Protection and Agriculture	2027	-----
Acquisition of logistical resources (for example, field vehicles, water measuring instruments, travel expenses, etc.) necessary for conducting observations in river basins and calculating the indicator ⁸	Technical provision of river basins	Ministry of Environment Protection and Agriculture	2027	3 000 000 GEL

Regional agriculture statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Labor force: the number of people employed in the farm and the number of works performed (man-day) by gender - production of the indicator	Data analysis and indicator calculation	Geostat	2023	-----
Obtaining soil erosion by water data	Communication with the Scientific-Research Center of Agriculture regarding drawing up an action plan	Scientific Research Center of Agriculture of the Ministry of Environmental	2023	-----

⁸ Considering a significant financial burden, the adjustment of details of this task in Harmonization Plan (including possible adjustments on implementation deadlines) may depend on the results of subsequent stage discussions and relevant decisions by the responsible agency(ies).

		Protection and Agriculture		
Methodological study of the main indicators of agricultural farms, land use, employed workforce and farm management, livestock and agricultural production group indicators	Hiring expert	Geostat, donors	2025	15 000 GEL
Assessment of resources needed for the register of farmers	Formation of working group	Geostat, Ministry of Environment Protection and Agriculture	2025	-----
Mobilization of human resources required for the production of key indicators of agricultural holdings, land use, labor force and farm management, livestock and agricultural production group indicators	Discussing the need to hire new employees	Geostat, donors	2026	65,000 GEL and thereafter annually (in case it becomes necessary to hire new employees)
Work on indicators of agricultural economic reports	Elaboration of the scenario and evaluation methodology for obtaining the information needed for the indicators based on the agricultural survey data.	Geostat	2025	-----

 **Regional structural business statistics**

Objective	Action	Responsible agency	Implementation deadline	Cost
Determination of the number of local units	Analysis of the results obtained by processing the business register	Geostat	2025	-----
Definition of local units	Preparation of the necessary resources and action plan for the purpose of specifying and evaluating information sources.	Geostat	2025	-----

✚ Regional tourism statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Update of the statistical survey of hotels and hotel-type facilities	Updating the survey questionnaire to obtain hotel room and occupancy data	Geostat	2027	-----
Improving the scope of the statistical survey of hotels and hotel-type facilities	Completion of the general set of statistical surveys of hotels and hotel-type facilities (will be possible in case of mandatory registration of accommodation facilities)	Geostat	2027	40,000 GEL additionally and thereafter annually

✚ Regional labor costs statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Obtaining the necessary data for labor cost statistics indicators from the survey of enterprises and organizations	Questionnaire testing on the example of several selected enterprises to provide individual data on the total hours worked by employees	Geostat	2026	-----
Obtaining the necessary data for labor cost statistics indicators from the survey of enterprises and organizations	Planning further actions, based on the results obtained from the questionnaire testing	Geostat	2027	It will depend on the planned actions

✚ Regional demographic statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Determining the number of the population by age groups and by regions	Introduction of a new model of demographic statistics	Geostat	2026	-----

Raising the knowledge of employees, studying various demographic analysis and forecasting programs and gaining experience from other countries. Development of a methodology for the production of population forecasts by regions and municipalities with the involvement of experts	Preparation of the action plan	Geostat, donors	2026	-----
Starting work on population register	Formation of the working group	Geostat, donors	2026	-----

Regional economic accounts


Objective	Action	Responsible agency	Implementation deadline	Cost
Calculation of GDP by purchasing power parity standard	Preparation of the necessary resources and action plan, with the involvement of experts and using the experience of other countries, in order to develop the methodology	Geostat, donors	2024	-----
Assessment of existing practice of regional GDP calculation and production of price statistics	Preparation of the necessary resources and action plan, with the involvement of experts and the experience of other countries, in order to develop the methodology	Geostat, donors	2024	-----
A study of the methodology of the European System of Accounts (ESA 2010).	Preparation of list of needs and work plan to receive technical assistance	Geostat, donors	2027	-----

Regional health statistics

Objective	Action	Responsible agency	Implementation deadline	Cost
Study of classification of hospital beds	Preparation of the request for expert assistance	National Center for Disease Control and Public Health, Geostat	2024	-----

 **Regional digital economy and society**

Objective	Action	Responsible agency	Implementation deadline	Cost
Production of additional indicators on the use of information and communication technologies in households, at NUTS 2 level	Increasing sample size	Geostat	2026	30,000 GEL initially and annually to increase the sample size

 **Regional poverty and social exclusion statistics**

Objective	Action	Responsible agency	Implementation deadline	Cost
Study of EU SILC research methodology	Preparation of the list of needs and work plan in order to receive technical assistance.	Geostat, donors	2027	-----

Integrated harmonization plan for all databases of NUTS regional statistics⁹

Objective	NUTS data set	action	Responsible agency	Implementation deadline	Cost
Cooperating with the Ministry of Finance to determine expenditures and employment in research and development	Regional Science and Technology Statistics	Formation of working group	Geostat, Ministry of Finances	2023	-----
Cooperation with Sakpateni to agree on a format for receiving data on updated patent applications	Regional Science and Technology Statistics	Formation of working group	Geostat, Sakpatenti	2023	-----
In order to get acquainted with the methodology of identifying research and development costs and employment, building the capabilities of the employees of Geostat and the Ministry of Finance, including studying in the field of Research and Development classification (FORD 2007)	Regional Science and Technology Statistics	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat	2023	It will depend on the volume of work
In order to get acquainted with the methodology of identifying research and development costs and employment, building the capabilities of the employees of the State Statistics Office and the Ministry of Finance, including studying the classification of Nomenclature for the analysis and comparison of scientific programs and budgets (NABS 2007)	Regional Science and Technology Statistics	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat, Ministry of Finances	2023	It will depend on the volume of work

⁹ In the action plans prepared at the initial stage, the deadlines for the implementation of individual tasks were revised

Building the capacity of Geostat employees to rise their awareness of the survey methodology for employment in the technological and scientific sectors	Regional Science and Technology Statistics	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat	2023	It will depend on the volume of work
Cooperation with the LEPL Civil Aviation Agency in order to receive data on passenger and cargo flows at the airports of Georgia	Regional Transport Statistics	Formation of working group	Geostat, LEPL Civil Aviation Agency	2023	-----
Cooperation with JSC Georgian Railways in order to receive data on passenger transportation and cargo turnover by railway	Regional Transport Statistics	Formation of working group	Geostat, Georgian Railway	2023	-----
Creating an updated ticketing system	Regional Transport Statistics	Project implementation and completion	Georgian Railway	2023	-----
Improvement of the registration of the volume of received and sent cargoes	Regional Transport Statistics	Software development	Georgian Railway	2023	10 000 GEL
Labor force: the number of people employed in the farm and the amount of work performed (man-day) by gender - production of the indicator	Regional Agriculture Statistics	Data analysis and indicator calculation	Geostat	2023	-----
Obtaining soil water erosion data	Regional Agriculture Statistics	Communication with the Scientific-Research center of Agriculture regarding drawing up an action plan	Ministry of Regional Development and Infrastructure, Scientific-Research Center of Environmental Protection and Agriculture	2023	-----
Building a capacity of Geostat staff to produce education statistics at regional level, including study of the ISCED-F 2013 classification	Regional Education Statistics	Formation of a working group to study the classification	Geostat, Ministry of Education and Science	2024	It will depend on the volume of work
Cooperation with the Ministry of Education and Science in the area	Regional Education Statistics	Formation of working group	Ministry of Education and Science, Geostat	2024	-----

of including private preschool educational institutions in statistical survey					
A pilot survey in business statistics to determine expenditure and employment on research and development in the relevant sector	Regional Science and Technology Statistics	Conducting the survey	Geostat	2024	100,000 GEL for the pilot and annually thereafter
Updating the statistical survey of non-commercial and non-profit organizations to determine R&D related expenditures and employment in this sector	Regional Science and Technology Statistics	Increasing sample of non-profit and non-profit organizations statistical survey	Geostat	2024	10,000 GEL annually
Production of labor statistics with NUTS classification	Regional Labor Market Statistics	Production of indicators, available at the regional level	Geostat	2024	Update on the Labor Force Survey
Building the capacity of Geostat employees to raise awareness of the methodology of statistical survey on road transport, including the study of the Standard Goods Classification for Transport Statistics/Revised (NST/R) classification	Regional Transport Statistics	Formation of a working group to study methodology and classification, communication with Eurostat	Geostat	2024	It will depend on the volume of work
Calculation of GDP by purchasing power parity standard	Regional Economic Accounts	Preparation of the necessary resources and action plan, with the involvement of experts and using the experience of other countries, in order to develop the methodology	Geostat	2024	-----
Assessment of existing practice of regional GDP calculation and production of price statistics	Regional Economic Accounts	Preparation of the necessary resources and action plan, with the involvement of experts and using the experience of other countries, in order to develop the methodology	Geostat	2024	-----

A study of the methodology of the European System of Accounts (ESA 2010).	Regional Economic Accounts	Preparation of list of needs and work plan to receive technical assistance	Geostat, donors	2027	-----
Study of classification of hospital beds	Regional Health Statistics	Preparation of request for expert assistance	National Center for Disease Control and Public Health, Geostat	2024	-----
Development of a plan for improving production of labor statistics by NUTS classification	Regional Health Statistics	Developing a plan for the production of additional labor market indicators, taking into account the sample size and resources of existing surveys	Geostat	2025	Update on the Labor Force Survey
Actualization of private preschool educational institutions	Regional Education Statistics	Conducting actualization survey	Geostat	2025	85 000 GEL
Authorization of private preschool educational institutions	Regional Education Statistics	Implementation and completion of the authorization process	Ministry of Education and Science	2025	-----
Inclusion of private preschool educational institutions in the survey	Regional Education Statistics	Collection of information on private preschool educational institutions by local self-government bodies	Local self-government bodies	2026	-----
A pilot survey to obtain annual traffic data for road transport	Regional Transport Statistics	Conducting survey	Geostat	2025	230,000 GEL for the pilot
Processing of revenue service data to obtain data on the annual turnover of road transport	Regional Transport Statistics	Database processing	Geostat	2025	50 000 GEL for the pilot
Methodological study of the main indicators of agricultural farms, land use, employed workforce and farm management, livestock and agricultural production group indicators	Regional Agriculture Statistics	Hiring expert	Geostat, donors	2025	15 000 GEL
Assessment of resources needed for the register of farmers	Regional Agriculture Statistics	Formation of working group	Geostat, Ministry of Environment Protection and Agriculture	2025	-----
Work on indicators of agricultural economic accounts	Regional Agriculture Statistics	Elaboration of the scenario of obtaining the necessary information for the indicators	Geostat	2025	-----

		and the corresponding evaluation methodology based on the agricultural survey data			
Determination of the number of local units	Regional Structural Business Statistics	Analysis of the results obtained by processing the business register	Geostat	2025	-----
Determination of the number of local units	Regional Structural Business Statistics	Preparation of the necessary resources and action plan for the purpose of specifying and evaluating information sources	Geostat	2025	-----
Raising the knowledge of employees, studying various demographic analysis and forecasting programs and gaining experience from other countries. Development of a methodology for the production of population forecasts by regions and municipalities with the involvement of experts	Regional Demographic Statistics	Preparation of the action plan	Geostat, donors	2026	-----
Determining the number of the population by age groups and by regions	Regional Education statistics, Regional Demographic statistics, Regional Health Statistics	Introduction of a new model of demographic statistics	Geostat	2026	-----
Starting work on population register	Regional Demographic Statistics at	Formation of working group	Geostat, donors	2026	-----
Methodological study of the main indicators of agricultural farms, land use, employed workforce and farm management, livestock and agricultural production group indicators	Regional Agriculture Statistics	Discussing the need to hire new employees	Geostat, donors	2026	65,000 GEL and thereafter annually (in case it becomes necessary to hire new employees)
Obtaining the necessary data for labor cost statistics indicators	Regional Labor Cost Statistics	Questionnaire testing on the example of several selected	Geostat	2026	-----

from the survey of enterprises and organizations		enterprises to provide individual data on total hours worked by employees			
Producing additional indicators on the use of information and communication technologies in households, at NUTS 2 level	Regional Digital Economy and Society	Increase of the sample size	Geostat	2026	30,000 GEL initially and annually to increase the sample size
Cooperation with the Ministry of Environment Protection and Agriculture in order to produce an indicator of freshwater resources of the river basin	Regional Environmental Statistics	Formation of working group	Geostat, the Ministry of Environment Protection and Agriculture	2027	-----
Acquisition of logistical resources (for example, field vehicles, water measuring instruments, travel expenses, etc.) necessary for conducting observations in river basins and calculating the indicator	Regional Environmental Statistics	Technical provision of river basins	The Ministry of Environment Protection and Agriculture	2027	3 000 000 GEL
Update of the statistical survey of hotels and hotel-type facilities	Regional Tourism Statistics	Updating the survey questionnaire to obtain hotel room and occupancy data	Geostat	2027	-----
Improving the scope of the statistical survey of hotels and hotel-type facilities	Regional Tourism Statistics	Completion of the general set of statistical surveys of hotels and hotel-type facilities (will be possible in case of mandatory registration of accommodation facilities)	Geostat	2027	40,000 GEL additionally and thereafter annually
Obtaining the necessary data for labor cost statistics indicators from the survey of enterprises and organizations	Regional Labor Cost Statistics	Planning of further actions based on the results obtained from the questionnaire testing	Geostat	2027	It will depend on the planned actions
Study of EU SILC research methodology	Regional Poverty and Social Exclusion Statistics	Preparation of list of needs and work plan in order to receive technical assistance	Geostat, donors	2027	-----

Additional components and issues

Individual priority indicators related to the "Smart Specialization" platform

"Smart Specialization" ("Smart Specialization"/S3) is one of the most important tools and leading areas of the European Union's cohesion framework policy, on the basis of which the programmatic and strategic planning of the economic development of regional and national levels takes place. The corresponding platform has already been actively initiated and is gradually being introduced in non-member and associated countries (including Moldova, Ukraine, Georgia). The mentioned component and thematic commitment are reflected in the 2021-2027 EU-Georgia Association Agenda¹⁰. Also, together with the NUTS component, it is reflected in the summary document of the 2018 EU-Georgia High Level Meeting.¹¹

The main statistical indicators required for the strategic planning of "smart specialization" (see the table below) are an organic part of the NUTS system, and timely access to them is at the same time a necessary prerequisite for appropriate planning and implementation.

While working on the "Smart Specialization Mapping in Georgia: Economic and Innovative Potential of Imereti Region" report, as a result of consultations with the Joint Research Center (JRC) of the European Commission and international experts, 10 indicators of "smart specialization" were identified, the availability of which is necessary for an effective assessment of the economic and innovative potential of the regions of Georgia.

The 10 selected indicators are grouped into three relevant groups: *economic, innovative, and scientific-technological* data. Their availability and the resources needed for production have been assessed by Geostat and the experts involved, which means that the relevant needs and resources have been identified by now.

Given the current agenda on "Smart Specialization", it is of substantial importance to produce these indicators, as provided in table below, in the coming years.

¹⁰ Item 7.5 "Regional development and cooperation at the regional level"

¹¹ <https://www.euneighbours.eu/sites/default/files/publications/2018-11/ec-georgia-high-level-meeting-agreed-outcomes.pdf>

Indicator	Sector (according to classification)	Responsible agency	Implementation deadline
<i>Economic, Innovative and Scientific-technological indicators.¹²</i>			
1. Number of companies	NACE Rev. 2 ¹³ , minimum in 3 digits	Geostat	2022
2. Volume of sales (services, goods), turnover	NACE Rev. 2, minimum in 3 digits	Geostat	2023
3. Number of employees	NACE Rev. 2, minimum in 3 digits	Geostat	2023
4. Salaries	NACE Rev. 2, minimum in 3 digits	Geostat	2023
5. Export	SITC 4-digits ¹⁴	Geostat	2023
6. Import	SITC 4-digits	Geostat	2023
7. Number and share of companies that have: - Innovative product - Innovative processes - At least one of the above 2 types of innovation	NACE Rev. 2, minimum in 2 digits	Geostat	2027
8. Share of companies investing in: - internal research and development - external research and development - machinery, equipment and software - education and personnel training - other types of innovations.	NACE Rev. 2, minimum in 2s digits ¹⁵	Geostat	2027
9. Number of scientific publications		Ministry of Education and Science/TechInform, Geostat	2022
10. Number of patent applications		Sakpatenti	2023

¹² 5, 6, 7, 8 and 9 of the mentioned 10 indicators are not covered directly within the framework of this Harmonization Plan, as they do not represent an exact matching part of the NUTS system at this stage. However, taking into account their close interrelationship with other indicators, which only together makes possible an effective planning of the European platform for "Smart Specialization" (provided also by the EU-Georgia Association Agenda and other documents), Geostat will coordinate with other agencies and implement relevant works within the specified timeframe.

¹³ Classification "Types of economic activity - Sec (NACE Rev. 2).

¹⁴ Standard Classification of International Trade (SITC Rev. 4).

¹⁵ The data will be distributed with sufficient frequency and low sampling error.

Production of priority indicators related to the "Smart Specialization" (S3) platform

According to the initial harmonization plan, the production of the following two indicators by 2022, was determined:

1. Number of companies (at the level of the country and at the level of the regions)
2. Number of scientific publications (at the level of the country and at the level of the regions).

Number of companies. Data for this indicator are available on the Geostat website, in the business register section, where it is possible to obtain information about registered companies according to the company's activity, organizational-legal form and legal address of registration.

- <https://www.geostat.ge/ka/modules/categories/64/biznes-registri>
- http://br.geostat.ge/register_geo/

Number of scientific publications. There are two international sources where information about scientific publications published in Georgia is placed.

1. Scimago Institute - <https://www.scimagojr.com/countrysearch.php?country=ge>
2. World Bank - <https://data.worldbank.org/indicator/IP.JRN.ARTC.SC?locations=GE>.

The data on both sources are available only at the country level and it is not possible to break them down to the regional level.

As for the local source, the Institute of Technical University of Georgia Techninform collects this data and has a database that includes bibliographic data of scientific publications reflected in the Georgian journal.

- <https://techninformi.ge/ge/?page=content/main/main>

Referenced papers are available since 2008. The database is being filled with data from 2000-2007. The number of registered scientific works exceeds 15 thousand and it is possible to obtain data both by individual years and by regions.

Using Techninform data, it will be possible to produce an indicator. For this purpose, it will be necessary to form a joint working group of Geostat, the Ministry of Education and Science of Georgia and Techninform, which will inventory the data needed for the production of the indicator and determine the procedures and periodicity of the production of the indicator.

Final Provisions

Based on the priority of Georgia's cooperation with the European Union, all future activities will be covered by the commitments provided by the association agenda and will be conducted with the coordination of Geostat and the Ministry of Regional Development and Infrastructure of Georgia and with the active involvement of other agencies.

In order to ensure the implementation of the activities described in the action plan and for the purpose of proper preparation, it is appropriate to plan all these events within the framework of the inter-agency working group. In addition, the introduction of NUTS classification in Georgia and, accordingly, the implementation of the harmonization plan should be done through coordination with other documents; for example, regional development program, Geostat strategy, recommendations of municipal statistics and others.

The participation of Eurostat experts in the implementation of this plan is reasonable. Accordingly, it will be necessary to organize Geostat working mission (or missions) with Eurostat. In addition, in accordance with the indicative action plan for the implementation of NUTS in Georgia, Geostat was to prepare a detailed financial plan for the implementation of NUTS and data harmonization¹⁶.

To conclude with, it will be of high importance to actively cooperate with Eurostat and EU member states in order to develop the capacity of Geostat and other administrative bodies.

¹⁶ The preparation of the mentioned plan was identified as the next stage of the actions defined for the introduction of NUTS in Georgia.

Annex 1. Selected scenario for the use of the Eurostat Nomenclature of Territorial Units for Statistics (NUTS) classification

NUTS 1	NUTS 2	Population, ('000) 2021	GDP per capita, GEL, 2021	NUTS 3	Normative (existing) Regions	Population, ('000) 2021	GDP per capita, GEL, 2021
Georgia	West Georgia	1 268.3	12 475	Adjara	Adjara A/R	355.2	15 657
				Guria	Guria	106.2	9 784
				Samegrelo-Zemo Svaneti	Samegrelo-Zemo Svaneti	304.8	11 294
				Imereti & Racha-Lechkhumi and Kvemo Svaneti	Imereti	474.1	11 457
					Racha-Lechkhumi and Kvemo Svaneti	28.1	12 411
	East Georgia	1 238.0	11 377	Shida Kartli	Shida Kartli	252.3	9 470
				Mtskheta Mtianeti	Mtskheta Mtianeti	92.9	15 972
				Kakheti	Kakheti	307.2	10 292
				Kvemo Kartli	Kvemo Kartli	435.9	11 508
				Samtskhe Javakheti	Samtskhe Javakheti	149.7	13 587
	Tbilisi	1 202.3	25 033	Tbilisi	Tbilisi	1 202.3	25 033

Annex 2. List of accompanying documents

1. Report on application of the EU NUTS methodology in Georgia and its practical implications
2. For gradual introduction of the Eurostat NUTS classification in Georgia - initial steps (register and coding of NUTS regions)
3. Eurostat Regional Education Statistics & Availability in Georgia
4. Eurostat Science and Technology Statistics at regional level & Availability in Georgia
5. Eurostat Transport Statistics at regional level & Availability in Georgia
6. Eurostat labor statistics at regional level & Availability in Georgia
7. Eurostat environmental and energy statistics at regional level & Availability in Georgia
8. Eurostat agricultural statistics & Availability in Georgia
9. Eurostat Structural Business Statistics & Availability in Georgia
10. Eurostat Regional Business Demographics (Business Register) & Availability in Georgia
11. Eurostat tourism statistics at regional level & Availability in Georgia
12. Labor cost statistics at regional level & Availability in Georgia
13. Demographic statistics at regional level & Availability in Georgia
14. Economic accounts at regional level & Availability in Georgia
15. Health statistics at regional level & Availability in Georgia
16. Digital economy and information and communication technologies at regional; level & Availability in Georgia
17. Statistics on poverty and social exclusion at regional level & Availability in Georgia
18. Crime statistics at regional level & Availability in Georgia
19. Education statistics, assessment of required resources at regional level
20. Science and technologies statistics. assessment of required resources at regional level
21. Transport statistics, assessment of required resources at regional level
22. Labor market statistics, assessment of required resources at regional level
23. Environmental statistics, assessment of required resources at regional level
24. Agricultural statistics, assessment of required resources at regional level
25. Structural business statistics, assessment of required resources at regional level
26. Tourism statistics, assessment of required resources at regional level
27. Labor cost statistics, assessment of required resources at regional level
28. Demographic statistics, assessment of required resources at regional level
29. Economic accounts assessment of required resources at regional level
30. Health statistics, assessment of required resources at regional level
31. Digital economy and information and communication technologies, assessment of required resources at regional level
32. Statistics of poverty and social exclusion, assessment of required resources at regional level.