

**Mission report**  
**ICTD Programme for UNDP Georgia**  
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## Introduction

This report is a result of the mission undertaken during 2-5 October 2006 at request of UNDP Georgia. The report structure and contents reflect the mission Terms of Reference (annexed to the report). According to the TOR, the mission's objectives were set as follows:

1) To advise on necessity and feasibility of introduction of IT Audit within the operations of the Chamber of Control and Government of Georgia, and accordingly on the processes of its implementation. Specifically:

- Verify with the counterpart the understanding of the IT Audit.
- Clarify with the partner why the IT Audit is necessary and what is the purpose of it.
- Identify which types of the IT Audit are necessary.
- Indicate what will be the impact of the IT Audit.
- Advise on the readiness of the CCG and Government for implementing the IT Audit.
- Recommend of the need and feasibility of IT Audit and accordingly the next steps for its successful introduction and implementation.
- Preparation of Action Plan for its implementation.

Expected product: Recommendations related to the feasibility of introduction of IT Audit, and if relevant a Concept Paper and Action Plan for successful introduction and implementation of the IT audit.

2) To advise on sustainability of 11 e-Clubs established in the Imereti region and their improved alignment to the local economic and social development processes. Specifically:

- Advise regarding possible ways of turning e-Clubs into self-sustainable institutions.
- Advise regarding possible ways for improving the e-Club services to serve the needs of local communities, private sector and local economic development.
- Advise regarding possible integration of e-Clubs as independent institutions into business partnerships.
- Recommend the ways for cooperation with other ICTD initiatives (e.g. Deer Leap) for better impact and synergies.

Expected product: A Concept Paper for self-sustainability of the e-Clubs including their inclusion into the private partnerships.

3) To advise on necessity and feasibility of the IT Training activities. If positive, should it be linked with the vocational training or should it represent the stand-alone IT education for the civil servants. Specifically:

- Advise on readiness and feasibility for setting up higher IT education institution in Georgia.
- If positive, advise on functions of IT Education institution (should it be stand-alone and civil servant-oriented or supporting vocational training).
- Advise on next steps for actual implementation of the initiative.

Expected product: Recommendations and if relevant, a Concept Paper on setting up higher IT education institution.

The mission included not only the meetings with project partners and government officials but also a field visit to Kutaisi and one e-Club. That provided a valuable opportunity to obtain important information from the source on the ground to better understand how e-Clubs operate and in what

context. Given the importance of the Imereti project in the framework of UNDP development cooperation in Georgia as a first full-fledged sub-nationally implemented project in one of the regions, as well as in light of the vast information obtained during the field visit, a significant part of the report is devoted to e-Clubs.

## **Part I. IT Audit**

### ***Main conclusions***

The project “Strengthening Institutional Performance and Capacity for Public Sector Control” was initiated in 2004 and since then has been successfully implemented. The meeting with the project staff and Deputy Head of the Chamber of Control (Mr. Roman Bokeria) has provided a lot of convincing evidence of a true turn-around which has happened in this supreme national oversight institution. While the use of ICT has provided additional important opportunities to reduce corruption and increase both effectiveness and transparency of the audit process, the successful transformation should be attributed to the strong political will of the agency’s senior management to pursue reform. The Chamber of Control of Georgia (CCG) realizes that in order to lead a public finance transformation nation-wide it must first reform itself.

The Chamber as a public sector independent auditor plays a unique role in Georgia with a special mission to support democracy in the country<sup>1</sup>. CCG forms a vital link in the accountability chain from the public sector to the Parliament and, ultimately, through Parliament to the Georgian people. Successful CCG would directly contribute to the success of democracy in Georgia and thus is a key element of Georgia’s democratic system of government. The Chamber undertakes performance audits, compliance and regulatory audits, financial audits, and investigations.

The use of ICT has enabled the Chamber to create a modern LAN infrastructure with hundreds of work places and information management system (including in the field of human resources), complemented by an extensive training and educational activities. Specifically, the project has helped install hardware, create new IT departments, ensure information security, set up an information management system, establish IT steering group.

As a result, the Chamber hosts one of the best training centers in the Georgian government system, running with many specialized and general IT literacy courses for hundreds of civil servants (basic and advanced audit training linked to internationally recognized accounting training, general training and English, management training). While most of over 400 auditors have learned how to use computers and specialized software applications, there is a need to equip all auditors with laptops, especially for those outside Tbilisi (there is still lack of computer-equipped work places in the Chamber’s main building).

The use of ICT has helped not only improve internal business processes but also create new opportunities of inter-agency communication and cooperation. For example, the Chamber’s library has free and direct access to the National Library. One of the existing problems is the absence of a database of organizations and institutions that are subject to auditing. Such a database would significantly improve an audit planning process. The Chamber’s web site has become an important medium of its communication strategy, alongside such traditional tools as press-releases, briefings, and a specialized journal ‘Financial Control’. All the results of audit are made publicly available, which is quite revolutionary in its own right.

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<sup>1</sup> Its uniqueness is in a unique relationship with Parliament to which the Chamber reports directly and which guarantees independence from the government

One of the significant achievements of the project has been the replacement of traditional – and often corrupted – auditing procedures with the new ones that allow preventing possible corruption through transparency of the entire audit process. Special software applications require that records and notes are made in at the key phases of the audit process so as to ensure objectivity and consistency. Thus, the audit final outcome is actually based on the previously made records to prevent arbitrary conclusions made under certain influences at the very end of the audit.

The project next step should deepen the use of ICTs by focusing on IT audit<sup>2</sup>, which is seen as the future of the audit per se. The Chamber management’s vision and objective is to decrease the audit time from the current 4-6 months to one month. If implemented, this should dramatically raise audit performance levels. A specialized department will be created to lead the IT audit and manage specialized software-based applications. A desired higher quality will be ensured by paying more attention to a pre-audit phase, when the audit de fact starts well in advance through virtual collaboration tools without major expense. For example, special query forms will be sent to the audited organizations and analyzed afterwards to identify vulnerable and risky organizations which would need special attention and be audited on a priority basis.

This is important, for only one-third of all organizations can be realistically audited (out of the total 600). The selection of those 200 is a real challenge; therefore risk analysis will help make the right selection and eventually to prevent serious problems. The development of such applications and a corresponding database will help both improve the audit quality and increase its efficiency. The IT audit is a natural next step in strengthening CCG further, with UNDP being seen as the best partner to assist in this.

The mission is confident about the ability of CCG to impellent its IT audit plan, given a strong will on the part of the Chamber’s senior management to continue reforming the institution and a good record of cooperation with UNDP over the past years.

### ***Key recommendations***

- Study other countries’ best practiced and lessons learned in IT audit; organizing an Expert Round Table meeting would be a good way to do it.
- Develop a clear implementation plan and provide a realistic budget estimates; design risk and vulnerability criteria.
- Focus on developing, along with software applications and a database, a sufficient analytical capacity within CCG (a department) to assess the data and trends.
- Be aware that this is a than 12 months).
- Provide extensive training on the new approach and systems not only to the CCG staff but also to representatives of organizations to be audited.

## **Part II. E-Clubs in Imereti region**

### Overview of the Imereti project

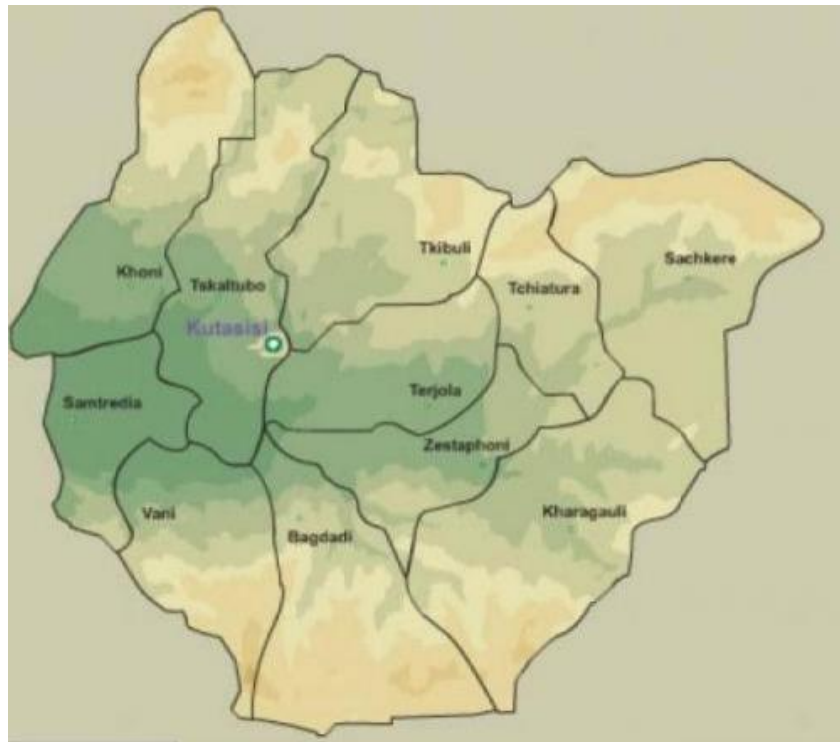
The e-Clubs have been created in all 11 districts of the Imereti region during the fourth phase of a UNDP project (co-funded by the government of Georgia, over 800,000 in total) ‘Support to Democratic Governance in Imereti region of Georgia’ (GEO/02/007, 00012708). The project is

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<sup>2</sup> UNDP plans to provide additional 100,000 USD to implement IT audit

being implemented since 2002. One e-Club was created in one district in a select village which is also the host of a village council.

In order to correctly understand the current role of e-clubs and their possible future, it is important not to view them in isolation but in the context of the country's existing and future governance and administrative system in Georgia.



The 11 districts are as follows (see map above): *Bagdati, Terjola, Vani, Samtredia, Zestaphoni, Sachkhere, Tkibuli, Tskaltubo, Chiatura, Kharagauli, and Khoni*. Each district has its central town surrounded by rural villages (and sometimes other small towns). Kutaisi is the region's capital.

Each district is headed by District Governor, assisted by 2-3 deputies (including 1<sup>st</sup> Deputy). The district administration has its head along with the heads of departments, usually in charge of social welfare, health, youth, education, taxation, agriculture and food, architecture, police, property, land, statistics, culture, finance, and often dealing with refugees and resettlement. In addition, in the majority of districts there are local branches of the regional prosecutor and security service offices. Overall, there are few dozens of employees (equivalent of municipal servants) who work in the district administration. The main town is headed by Governor with one deputy and head of city administration. The lower level of district governance is represented by the district council *Sakrebulo* governed by the district's Speaker and Chair and is composed of village councils and their respective Chairs (there are usually between 10 and 20 councils in a district). The overall number of villages is several dozens per district with the total rural population ranging from 20 to 70 thousands. Most of the districts in Imereti are of 400-700 square km of surface area.

#### Governance context

This lower village governance level will soon cease to exist as a result of the recent territorial and administrative reform. This is an important consequence for e-Clubs as they are usually located on the premises of village councils (the host). The elimination of the local host will have certain complications for e-Clubs both in terms of their physical location and maintenance costs, including

e-Club managers' payroll. However, the issue of the physical host is not the most important argument to put e-Clubs into a broader governance system. The key to understanding the e-club's role and nature lies in the project strategy initially focused on creating the region-wide web-based portal system containing relevant management applications and providing an infrastructure backbone for regional and district administrations. Only after that the all 11 e-clubs were established within six months as pilots in the villages (one per a district) with some minimal capacity (human and physical) to serve as many people as possible. That has allowed them to connect the grassroots level to the district and regional administrations, and thus to central authorities as well, via the regional portal applications ([www.imereti.ge](http://www.imereti.ge)). Otherwise e-clubs would be ordinary telecenters that provide access to the internet without being integrated into wider administrative governance relations.

The project main objective was to 'to increase the capacity of regional, district and local administrations to exercise accountable and efficient public management in Imereti region. This overall objective will be achieved through better alignment of executive and legislative branches of power at regional, district and local levels, ensuring the transparency of decision-making and better public accountability. Modern methodology will be used in order to achieve these objectives. This includes provision of state of art ICT-tools and software, as well as training for officials at local, district and regional levels. The project will serve for Georgian Government and any donor organization as the pilot one in the sphere of regional and local communities' development and decentralization'. In other words, the deployment of new information governance systems was used as a tool to improve overall governance policies and practices in the region through vertically integrated management systems. Development of appropriate competencies and skills among senior political and mid-level administrative staff has been part of the project strategy. For example, the project helped set up and operationalize a first regional training centre for government officials, which provides new training opportunities well beyond the use of ICTs. The project logic was accomplished through four main organizational and technical phases.

### Phases

During the first phase, Kutaisi Mayor's office and city council were connected to Imereti Regional Administration via a first ever<sup>3</sup> local area network (LAN). As a result, the Governor's Office, Regional Administration, Kutaisi Mayor's Office, Kutaisi Municipality and Council, and two dozens of State Agencies were technically modernized and acquired the Regional Administration's Management Information System (INMIS), with over 200 properly equipped working places. In addition, a special municipal area network was developed within the city limits of the regional capital Kutaisi. That included the provision of modern computers, office and media technologies, special programmes and applications, etc. As a result, the official web-site of Imereti Regional Administration was designed and operationalized. The deployment of modern technologies and related management applications helped change the structure of the regional administration, transform functions and provide new services. Hundreds of public servants went through training at specialized teaching courses, including in ICT literacy, with 70 receive special Certificates that are recognized by other employers.

The project second phase helped create an inter-agency network comprising 20 state institutions (branches of central government) such as Public Defender's Office, Chancellery of the Government, local branch of the Parliament located in Kutaisi and connect them to the LAN of Imereti Regional Administration. The local network of these organizations were designed and equipped with computer and office technologies, specialized programmes and internet service necessary for their work. Training sessions and training materials were developed and delivered. The first regional learning-consulting centre in the country was established and fully equipped. For instance, 11 issues

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<sup>3</sup> Within regional administration

of special guides and handbooks have been issued for public servants on various (non-ICT) topics; the two handbooks on the Internet in Georgian were first of this kind in Georgia.

The third phase was focused on the creation of Imereti regional informational network to connect Regional Administration Management Information System and Kutaisi inter-agency network with 11 district councils coupled with the construction of the district administration LANs, including the introduction for the first time ever connectivity to the internet at this level. Additionally, connectivity was established with Tbilisi-based central government agencies uniting them all together.

Finally, the fourth phase led to the establishment of informational-consulting e-clubs in 11 pilot communities (rural villages, locations of local councils). They were equipped with computer and office technologies, furniture, and satellite internet service. The inhabitants of nearby villages (children and youth, farmers and peasants, housewives and the old, invalids and other social groups) were given for the first time an opportunity to communicate with outside world, get and share information in such important for local life areas as veterinary, agriculture, medicine. Also, Imereti regional informational network was connected to other important state institutions in Tbilisi – Parliament, Supreme and Constitutional Courts, National Bank, Central Election Commission.

#### Role of the web Portal and related services

As mentioned, the regional web portal serves as a common unifying media (see in annexes screenshots of the regional, city, district and local pages). The Portal has four main sub-pages (modules) – Society, Government, Business, and News – and plays an exclusively important role as a networking tool between e-clubs (i.e. their managers) on the one hand and with the district, regional and city authorities on the other. These sub-pages are filled with information uploaded directly by departments. The Portal Forum feature provides networking communication channels and is also open to wider audience<sup>4</sup>. Quite important for rural Georgia (which often lacks fixed telephony) is a possibility to make free calls over the Internet. There is plenty of anecdotal evidence when the Internet helped many people in their personal, educational and business affairs, which is not surprising and supported by facts and stories from many other countries.

What is less typical is the above-mentioned common Web Portal-based communication and application service (based on the regional and Kutaisi LANs) with vertically (across governance layers) and horizontally (across agencies) integrated common services. Access to this platform and features makes a difference in the work of e-clubs and should be taken into account when their future is discussed. One of such features is, for example, downloadable official forms and dozens other documents which can be used by both local officials and ordinary people.

Another widely used and important Portal's common feature is a Virtual Reception powered by an Information and Document Management System called PREMO, which allows citizens to send their queries or complaint directly to the institution in charge. The document is automatically assigned a sequential number, accompanying documents are scanned and attached, and cannot be lost any longer. This significantly reduces the processing time and helps better handle people's concerns. People also send their letters by e-mail with the help of e-Club managers without a need to visit central, regional or city administration officials (departments) as it used to be in the past. The system database stores these letters electronically which can be retrieved any time (some 50 letters arrive to the reception point at the regional administration in Kutaisi).

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<sup>4</sup> It is being regularly used with the most recent postings dated 13 October when checked on 16 October, which is a good result; there are also multiple discussion threads on the Forum page.

### e-Club profile

An average profile of a typical e-club is as follows: 4-6 computers (with flat screens), copying equipment and one manager. The cost also includes satellite equipment and furniture totaling to some 10-15,000 USD. Salary of e-club managers and maintenance costs are covered by the state (district) budget. Actually, the manager is the key to the e-club's successful operations. All managers are local residents, usually young and with higher educations. Half of them are females. They were very carefully selected among other candidates and extensively trained (during five days) both in terms of the use of the Portal features and service provision. Without this job they would have been unemployed. It took about six months to deploy the e-club network of 11 units from start to finish, including procurement of equipment. Having gained this experience, the similar volume of work could be done within 2-3 months (for example in other regions). From day one the project has started close monitoring of the managers' activities, with a special template used to submit progress reports.

The e-Clubs operate as a true information and professional network thanks to the mutual support networking activities, which began during the training. There was a first competition organized among e-clubs, with the first three winners identified and awarded. The managers have established strong partnership relations with many local organizations including authorities, businesses, schools. De facto e-clubs have become the centre of community life. An interesting and innovative example of a new service that has become available with the advent of e-clubs is a book-keeping service for local businesses and organizations (using Excel spreadsheets and other applications). E-Clubs are open six days a week except Sundays from 9 am until 6 or 9 pm, often later if there are customers. The pilot 11 e-clubs were selected out of 173 villages. A special e-club model was designed to take full account of such factors as village size, neighboring villages, availability of electricity, a large number of potential users.

### Coverage

On average, one e-club provides services to five other neighboring villages. The total audience served by an e-club which was visited (near Kutaisi) is roughly between 10,000-15,000 people (4,000 dwellers in the village itself plus the neighboring five villages). It means that the current 11 e-clubs serve information needs at least of 100,000 people country-wide. It appears that all in the district know about the closest e-club and there is no problem to visit it using public or private transport (maximum distance does not exceed 20-30 km). Young people learn very fast to use computers and the Internet and as a rule extend their services to older family members and their neighbors in other nearby villages.

Over 90% of the e-club visitors have e-mail accounts (usually more than 500 per e-club). Deputy Governor of Imereti believes that every district should have five e-clubs to cover properly the district territory and increase service delivery outreach. It means that with 50 e-clubs almost half-million of Georgia's largely rural population would benefit from better government service coupled with better communication and information sharing and dissemination opportunities (some 10% of the entire population which is a lot). That would be a real breakthrough if, in parallel, the scope and breadth of public e-services would also further expand.

As far as the district level is concerned, the Public Internet Access Points (satellite-based) that have been created on the administration premises focus less on service provision but rather on public relations and information dissemination. There is only one computers is usually available, which is a serious limitation.

### CPAP context

Overall, the project corresponds very well to the CPAP Expected Outcomes and Outputs under Service Lines 2.7 Public Administration reform and Anti-Corruption and 2.6 Decentralization, Local Governance and Urban/Rural Development. This is true particularly with regard to the Expected Outcome 2.7.1 Public sector reform in support of efficient, effective, responsive and pro-poor public services promoted and supported through policy advice and capacity development activities and Expected Output 2.7.1. Managerial, administrative and organizational capacities of key public administration institutions enhanced (regional administrations certainly belong to the list of key public administration institutions). The Imereti project has clearly demonstrated how that can be done.

### ***Main conclusions***

The Imereti project has been successfully implemented by UNDP, in close cooperation with central, regional and local authorities and—what is critically important—with the government’s direct financial support and a strong sense of ownership. Whereas the Imereti project is a successful demonstration of direct developmental benefits brought by ICT, the project’s key impact is not so much about the use of ICT but about changing traditional governance practices coupled with new ways of government-citizen communication and new web-based public e-services.

The project has also successfully showed how technology can empower communities to overcome information and communication poverty by connecting their residents to wider knowledge, central and regional authorities, other communities and population groups. An important lesson of technology use at the local level has been a successful engagement of well-educated young professionals (often recent graduates) in improving work and life environment in communities. As e-Club Managers they have created a new type of community-based networking activities, which is very much appreciated by both people and authorities. Finally, the Imereti project has been a first large-scale UNDP project implemented sub-nationally.

As far as the project future strategy is concerned, there are three principal questions to be answered, namely: (a) whether the number of e-Clubs will be big enough to create a viable network<sup>5</sup> in order to cover the Imereti territory as much as possible (with minimum five e-Clubs per district which will be enough to serve residents’ basic needs in access to communication means and informational content); (b) whether Imereti experience will be used in other regions for economies of scale impacts, and (c) what will be the impact of the ongoing administrative reform, especially following the elimination of rural councils (rural council’s premises served as the e-Club’s host).

Meeting with the CEO of one of the leading Georgian ICT company (George Chirakadze of UGT company) confirmed an assumption learned from other countries that the business community is ready to become a partner in implementing project of high public value to create ultimately better conditions for business expansion thanks to deeper and wider penetration of technology and the availability of a pool of potential customers that know and accept technology. Patriotic sentiments to make Georgia a more competitive and modern country should not be excluded from the incentive menu encouraging higher acceptance levels.

### ***Key recommendations***

- Discuss with central government and regional Imereti authorities the project’s next phase aimed at increasing the number of e-Clubs up to 50 (with five in each district);
- Codify Imereti lessons and experience with the purpose to replicate its model in other regions, which may lead to resource mobilization; in this context, develop and implement advocacy and public awareness campaign to increase demand for wider use of technology (for example, to organize trips of journalists, business leaders from ICT

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<sup>5</sup> For example, as a public entity or social enterprise if law permits; however, the fact that e-Club managers are on government payroll (at a satisfactory pay level) might create a legal obstacle; nonetheless a voluntary network should be created anyway even without a legal status.

and banking sector, as well as representatives of other regions to visit e-Clubs, district and regional administrations; or organize a Round Table to discuss Imereti lessons and challenges).

- Discuss and find ways to form—legally or informally—a regional e-Club network for mutual support and multiplying effects to provide better, faster and wider service to people and businesses.
- Contact UNESCO regional office to explore possible opportunities for cooperation. Develop new business partnership-based viable models of e-Clubs hosted, for example, by libraries, museums and other public hosts in small and mid-size towns. UNESCO has developed and globally piloted such models of local access to ICT as Digital Libraries (complemented by a special software application called Green Stone) and Community Multimedia Centres (CMC)<sup>6</sup>.
- The Deer Leap programme can serve as a good source of best practice in providing access to ICT at the local level and resource mobilization; at the moment, schools do not plan to open their doors to serve local communities as e-Clubs do, therefore cooperation with the Deer Leap can be developed primarily along (1) mutually beneficial services (for example, e-Club managers can help IT units in schools and develop joint activities on a case-by-case basis), and (2) Internet connectivity (e-Clubs can benefit from the Internet connectivity available to schools participating in the Deer Leap).
- Encourage and actually establish Public-Private Alliances/Partnerships (Advisory Council or Task Force) to engage ICT/ telecom and banking sectors into a dialogue to make business community one of the key stakeholders in the efforts to expand e-Clubs and, for example, Digital Libraries (under the Global Compact, Corporate Social Responsibility, and/or Growing Sustainable Businesses implemented by the Bratislava Regional Centre)<sup>7</sup>; experience of the Deer Leap programme should be studied to understand its success in resource mobilization with the business community.
- It is strongly recommended that if and when local IT businesses are well consolidated, the function of operating e-Clubs or e-Libraries will be outsourced to the private sector business community (under a contract that is concluded within a broader cooperation agreement), which will supply equipment, select and train an entrepreneur who will act as the operator (manager). The contract between the host (owner) of the e-Club (e-Library) will oblige the operator to provide free services to the community, which will allow generating some revenues through pay services according to the business plan.
- Make the regional portal multimedia rich (using such tools as podcasting), continue linking the Portal's functionalities and features with management practices of regional authorities (including the district level) by deploying more interactive services, especially to vulnerable and marginalized (economically, socially, geographically). The ultimate objectives should be to reform public service organizations and create accessible and friendly One Stop Shop Citizen's and entrepreneur's Portals as single windows for people and businesses.

Some additional recommendations are given at the end of the Overview section of this chapter.

### ***e-Clubs sustainability: Proposed concept***

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<sup>6</sup> Information is available at UNESCO web site [www.unesco.org](http://www.unesco.org)

<sup>7</sup> Guidance and certain examples can be found in the Telecottage Handbook at the Bratislava Regional Centre's website under the ICTD section (Publications sub-page) <http://europeandcis.undp.org>

Those 11 e-clubs that are operational in Imereti region are the pilot ones to test approaches and find workable solutions. It's obvious that the available pilots have worked well, thanks to (a) an emphasis on integrating e-clubs into wider information governance systems vertically and horizontally aligned, (b) investment into managers competencies and knowledge, (c) strong client and service orientation to meet local needs, (d) promotion of networking and mutual support culture among e-clubs, and (e) strong support from regional and local authorities. There are some first interests from local donors to provide financial support (for example, one local hydroelectric power station expressed such interest). Yet, the fundamental issue is what to do next.

### Suggested options/possible scenarios

There are three main options. One is to stop the project recommending that the government takes this positive experience over continue implementing it alone or with other partners. Yet it seems very likely that the sudden departure of UNDP will not lead to a smooth continuation of the project without any transitional period and arrangements. People feel quite proud to be associated with a UN project. Also, the accumulated know-how knowledge and professional networks can be lost. The currently available small number of e-clubs does not provide a viable base to create similarly viable network.

A second, far more preferable, scenario is that UNDP continues the project in order to expand the network of e-clubs up to 40-50 so as there is a sufficient critical mass of access points, managers, clients, services and content. The deployment of additional 30-40 e-clubs should not take much time (1.5 years probably) provided that the financial resources are available. In parallel, the work should be started to form an association of e-clubs (a registered one if possible, according to local laws taking into that the government pays salary to managers). That will help them to raise resources more successfully. It is proposed that a "social enterprise" model is looked at for possible application.

That would allow generating revenues through the introduction of select pay services, especially to local and national businesses and clients. The association can develop a range of additional professional services (in training, application development, etc) which can be offered to other organizations and clients. The new network services can prove to be attractive when and where there is a need for ICT/Internet use. At the moment e-clubs provide services within their respective district markets only while the association's market will be the entire region and in some cases reaching out to beyond Imereti's boundaries. Income and knowledge sharing within the association/network will make it only stronger, as well as diversity when some e-clubs may specialize on certain services and provide them to clients on behalf of the entire network.

UNDP can help to find the best form from the legal point of view but also start engaging business community to nurture partnerships. It is proposed that this is done under the umbrella of the GSB regional project. Legal issues will be important in the context of the elimination of village councils and strengthening (probably) district administrative level as part of the unfolding decentralization process. It is very likely though that the regional level will continue to be the key governance layer of the Georgian state in the foreseeable future (taking into account internal and external factors, with full-fledged decentralization becoming a reality not so quickly). If this is the case, similarly the regional administration and related information and communication platforms and services will continue to be crucially important for ordinary people and businesses. Special thought needs to be given to understand what will be the consequences for e-clubs when the current host disappears (village council premises and maintenance support)

The third option is the ideal and most impactful one (if to gauge the possible options in terms of

their added value impact).

While expanding inside the one region is natural and relatively easy to do, the real impact will happen only when more e-clubs start emerging on a national scale. Similar activities can be started in other regions using the same approach and strategy. Ideally, the country will need to have some 500 e-clubs that could realistically emerge within next five-seven years. The total cost would be in the range of \$5-7 million including annual operating costs. The regional portal already exists and can be cheaply disseminated as a template (though it needs more improvement, be closer integrated with the regional administration's back-office and offer front-office services).

Other countries experience demonstrates that the national association-based network will be much stronger and viable than a regional one. A special strategy could be developed which would be based on the business partnership with a pro-active role of the state. The success of the Deer Leap programme (also in the area of resource mobilization) clearly demonstrates an untapped potential of business partnerships in Georgia as far as ICT area is concerned. One can assume that such opportunities will be only increasing over time and technological advancement. Technology firms (ICT and telecoms) as well as banks are usually eager to finance public good activities that ultimately lead to their new clients in future.

#### Additional advice

The strategy should not only include the institutionalization and partnership components but be also linked with wider decentralization processes and e-government developments. The more ICT-enabled services the government plans to generate, the more such services e-clubs can channel through and, as a result, more clients can be served. In reality, the government may outsource to e-clubs (association) certain services on a more formal basis. While not immediately, a stronger association will gradually emerge.

Diversity in services will be an important issue for e-clubs. As an association it can exist in the form of Internet Public Access Points and be hosted by various public sector organizations (libraries, museums). For example, at the moment the government is designing a national government backbone network which should solve the Internet connectivity issue in the regions. The fiber optic backbone that will be managed by the private sector should be opened for third party institutions outside the government, which can give a boost to the expansion of the e-club network. Taking into account that the volume and scope of e-government survives will grow, all sorts of e-clubs and Internet Access Points can serve as e-service delivery points (for central and regional government generated public e-services). For example, in small towns libraries and museums can play the role of both the host and the owner, with the manager role being outsourced to local businesses or the association. The actual name will not matter much as long as there will be a common unifying mission and platform.

UNDP should continue to expand the e-clubs network both within Imereti and start creating e-club networks in other regions in close coordination with activities concerning decentralization and public administration reform. Otherwise there is a danger that until a critical mass is created and e-clubs fully united and networked, this successful pilot experiment can be lost.

Also, the Portal itself needs more work to do before it becomes fully customer friendly and content-rich, with a potential to become a One Stop Shop (Citizen's portal) to provide e-government services. It can serve as a powerful tool for bridging existing gaps between Georgia's regions. Therefore, it is very desirable that UNDP also leads or actively participate in government's e-governance initiatives. The expected duration of UNDP's involvement should be three years at

least. By that time it is realistic to establish a network of some 70-100 e-Clubs two-three regions.

The Georgian government should be encouraged allot more resources from the state and regional budgets and help develop enabling legal frameworks and strategies. UNDP should also put its core resources to control and monitor the situation. UNDP should ensure that specially targeted Portal services are provided to handicapped and other marginalized and vulnerable people who can benefit from ICT more than other population groups. And last but not least, UNDP can secure close links between e-clubs and other project initiatives, especially between those in the area of public administration reform (such as the Control Chamber, Parliament, Civil service reform) and also in emergency/recovery management and sustainable development to which e-clubs can provide plenty of valuable services.

### **Part III. IT Education**

#### ***Main conclusions***

The mission has not arrived to a definitive conclusion whether Georgia needs a higher educational institution on IT. Or more precisely, no strong arguments have been found in favour of such institution as of today. This issue should not be viewed from an educational angle only but in close connection with the existing and future demand for IT professionals in the public and private sectors. According to experts, the Georgian IT market is small and not mature enough to accommodate too many IT specialists – there are simply not enough jobs for them. The Tbilisi Polytechnic University produces several hundreds of graduates in computer programming (informatics and management systems). It is planning to start re-training IT specialists to meet the market-based demand, especially in computer engineering. There is also an issue of brain drain. However, the industry is quite dynamic, constantly grows and the demand-supply equation may change in favour of greater demand<sup>8</sup>.

The EBRD starts a project to establish on the premises of the Tbilisi Polytechnic University an incubator of ICT businesses to enable them get access to seed funds. This is an important initiative, which may be catalytic in setting priorities and future trends.

While a stand-alone training institution to produce IT professionals may not be needed in the near future due to the local market limitations, there is an obvious need to increase IT and Internet literacy among general public, teachers, public officials at regional and local levels<sup>9</sup>. The Ministry of Education and Science is in the process of finishing the establishment of its IT College to train non-IT professionals on IT issues as part of broader vocational education activities for adults. This college will train professionals in education on IT basics (with certificates issued for those who successfully complete the course).

The Deputy Minister of Education acknowledges that Georgia does not have a system of training neither public officials in computer and Internet literacy nor IT specialist working for IT departments in the public sector<sup>10</sup>. There is a privately run Georgian Institute of Public Administration located in Kutaisi, which provides primarily the Georgian language training course to some 300 people from ethnic minorities. UNDP may initiate discussion among Georgian ICT business, Universities, Ministry of Education and Civil Service Bureau to understand what are the short-, medium and long-term training needs for general public, IT professionals, and public officials. Linnar Viik, Associate Professor (also former UNDP staff member and IT Advisor to MP

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<sup>8</sup> The mission does not have exact figures and makes conclusions based on the information obtained via interviews with specialists (at the UGT company and Tbilisi Polytechnic University)

<sup>9</sup> Training centers established in some ministries with UNDP's assistance help meet training needs.

<sup>10</sup> Minister for Economic reform Kakha Bendokidze is of an opinion that IT functions of state bodies should be outsourced to the private sector.

Mart Laar in 1999-2001) at the Estonian IT College may come on mission to prepare and facilitate such discussion among the key stakeholders.

***Key recommendations***

- Organize a series of meetings with major stakeholders representing Ministry of Education and Science, Tbilisi Polytechnic University, ICT business sector, and Civil Service Bureau to discuss priorities of the Georgian system of IT education across the board and to find workable communication channels and Public-private partnership formats.
- Prepare and conduct, jointly with the ICT/telecom and banking sector, a Round Table to agree on priorities and set up a Task Force to draft initially a Green and subsequently White Paper on IT education in Georgia (this documents will serve as a policy framework, which will guide UNDP's further involvement in this thematic area).

## **Annex. List of Selected Resources on Community Multimedia Centers and Libraries**

[http://portal.unesco.org/ci/en/ev.php-URL\\_ID=22737&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/ci/en/ev.php-URL_ID=22737&URL_DO=DO_TOPIC&URL_SECTION=201.html) - CMCs (16) in Mozambique

[http://portal.unesco.org/ci/en/ev.php-URL\\_ID=22552&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/ci/en/ev.php-URL_ID=22552&URL_DO=DO_TOPIC&URL_SECTION=201.html) - Russian version of the Guide to CMC (including freeware software for CMCs) - How to get started and keep going

[http://portal.unesco.org/ci/en/ev.php-URL\\_ID=21853&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/ci/en/ev.php-URL_ID=21853&URL_DO=DO_TOPIC&URL_SECTION=201.html) - CMCs in Nepal (at schools)

<http://www.iisd.org/PUBLICATIONS/pub.aspx?pno=790> - evaluation of UNESCO's CMCs: Final Report

<http://www.isoc.siu.no/isocii.nsf/projectlist/71144> - School libraries as Multimedia Centers

<http://www.karmoyped.no/slam/> - web-site of the Project Multimedia centers in school library and 4 CASE studies

<http://www.itweb.co.za/sections/business/2005/0509091343.asp?S=Social%20Responsibility&A=SCR&O=FRGN> - Rural schools receive multimedia centers, South Africa

[http://seattletimes.nwsourc.com/html/personaltechnology/2002384556\\_ptinbo16.html](http://seattletimes.nwsourc.com/html/personaltechnology/2002384556_ptinbo16.html) - article in Seattle Times: Internet cafes at libraries a great idea

<http://www.britishcouncil.org/macedonia-cyber-cafe.htm> - cyber cafes and libraries supported by British Council