

BELARUSIAN-GEORGIAN EXPERT REVIEW:



**Experience and priorities
for the SDGs localization in the
“Development of entrepreneurship
(rural area / towns)” area**

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The Review includes materials and proposals, provided by other Belarusian experts.

Belarusian-Georgian Expert Review is aimed at analysis current state and potential of entrepreneurship development and its impact on the localization of the SDGs in Belarus and Georgia. General context of localizing ESG at the national level in two countries and socio-economic situation at the local level using examples of two municipalities are described in the review. The problems, needs, and challenges in this process at the municipal level with the best practices for localizing ESG in entrepreneurship are opening discussion on how to strengthen of SDG-oriented development of entrepreneurs.

Conclusions and recommendations of the Review are addressed to the policy-makers, municipal and community leaders, small and medium businesses and NGOs involved in Georgia and Belarus as well as in other Eastern European countries.

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INTRODUCTION

Sustainable development has been recognized as the most significant issue facing the global community since the United Nations General Assembly declared it in 1987. This declaration followed the world community's reflection on the problems of organizing people's lives, preserving the environment and resources due to population growth, increasing economic crises, growing social inequality, accelerating climate change, and other global issues. In its broadest sense, sustainable development (SD) is understood as a long-term and comprehensive development that achieves a balance between its natural, social, and economic components. The main idea underlying the concept of sustainable development is the awareness and responsibility of the actions of the current generation, as well as "intergenerational justice," which means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

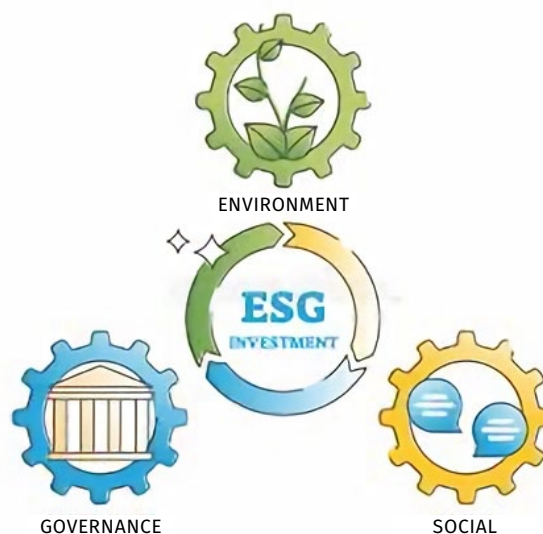
Ensuring sustainable development is a complex task that requires the comprehensive efforts of all countries, organizations, and each individual. Therefore, at the beginning of 2000, the United Nations Millennium Declaration was adopted at the UN General Assembly, containing the Millennium Development Goals, and then, in August 2015, 193 UN member states adopted a new document, "Transforming our World: The 2030 Agenda for Sustainable Development," containing 17 Sustainable Development Goals (SDGs).

The 17 Sustainable Development Goals (SDGs) formulated in Agenda 2030 have become a common reference, framework, or basis for countries to develop their own sustainable development strategies and programs. In the process of developing and implementing these strategies and programs, there is localization and adaptation of global SDGs to the specific context and growth points of a particular territory to ensure its inclusive and sustainable development.



The scale and complexity of sustainable development tasks also impact all areas and sectors of human economic and cultural activity, including entrepreneurship. Therefore, the main goal of this review is to consider the contribution of entrepreneurship to the localization processes of SDGs at the local level. At the same time, business is both an object of improvement and transformation into a "sustainable business," and a tool for ensuring sustainability in other areas of human life, such as education, health, environment, etc.

Sustainable business is a model of localization or integration of sustainable development principles into a company's corporate strategy. To implement sustainable business, the concept of ESG has been formulated, which helps businesses formulate their sustainable development goals and identify the most significant areas in which they plan to take action to achieve substantial results in the coming years. **This concept contains three groups of sustainability factors: environment, social, and governance.**



1. Environment - responsible attitude towards the environment involves the implementation of environmentally friendly business models and technologies by businesses:
 - Digitalization
 - Circularity
 - Energy efficiency
 - Using biodegradable and non-toxic materials
 - Using local products
 - Sharing economy (collective use of real estate, equipment, transport, etc. for the production and promotion of goods and services).
2. Social responsibility - involves deep involvement of businesses in solving social problems of local communities, as well as demonstrating responsibility to their clients, employees and external agents, including fair competition.
3. Governance - involves the implementation of high standards of corporate governance and anti-corruption measures.

Implementing ESG principles requires certain additional efforts and costs from companies, especially in the early stages of business development. However, in the long term, these efforts will make businesses sustainable and successful and will bring significant dividends to all stakeholders.

An important condition for the effectiveness of sustainable business development is the analysis and implementation of the experience of localizing ESG in entrepreneurship in other places. Therefore, this review aims to compare and generalize the experience of localizing ESG in entrepreneurship in two countries - Belarus and Georgia, based on the study of current statistics, planning and regulatory documentation and working meetings with local stakeholders for interviews and focus groups.

The review consists of four parts: (1) a description of the general context of localizing ESG at the national level in two countries, (2) a description of the socio-economic situation at the local level using examples of two municipalities, (3) a description of best practices for localizing ESG in entrepreneurship, and (4) a description of problems, needs, and challenges in the process of localizing ESG at the municipal level, as well as an appendix containing brief descriptions of concepts and ideas for implementing ESG localization projects in entrepreneurship at the local level.

1. THE GENERAL CONTEXT OF LOCALIZING ESG AT A NATIONAL LEVEL IN BELARUS AND GEORGIA

1.1 BELARUS

1.1.1 SHORT POLICY CONTEXT RELATED TO SDG NATIONALIZATION

Since the adoption of the "Agenda for the 21st Century" (Agenda 21) at the United Nations Conference on Environment and Development in Rio de Janeiro in 1992, Belarus has actively participated in the processes aimed at achieving the goals composed in this document.

In 1997, Belarus has already developed and approved its first National Strategy for Sustainable Socio-Economic Development for the period up to 2010 (NSSD-2010), which was approved by the Government.

In 2015, Belarus published its Final Report on the results of implementing the Sustainable Development Goals (SDGs). Overall, Belarus achieved almost all of the goals ahead of schedule. For example, by 2015, the proportion of the low-income population had decreased by 8 times. Primary education became accessible for everybody. Maternal mortality was reduced by 18 times, and child mortality (under 5 years old) - by 4 times. The country achieved a significant reduction in carbon dioxide emissions, and the consumption of ozone-depleting substances over the past five years decreased by 50%. The

¹ [Roadmap for the Implementation of the National Strategy for Sustainable Development in the Republic of Belarus. Publication by the United Nations Development Programme \(UNDP\) in 2018.](#)



² [Minutes of the Meeting of the Presidium of the Council of Ministers of the Republic of Belarus No. 10, May 2, 2017.](#)



³ [The website of the National Platform,](#)
Accessed March 23, 2023.



carbon intensity of the economy was reduced by 4 times, and the energy intensity of GDP was reduced by 3 times¹.

Subsequently, the NSSD-2020 and NSSD-2030² were developed and approved. Belarus took an active part in the development of the 2030 Agenda at all stages and made commitments to achieve the SDGs, which were aimed at improving the level and quality of people's lives. Thus, the work on the implementation of the SDGs at the national level began.

In 2017, the United Nations Mission on Achieving Sustainable Development Goals - MAPS mission (Mainstreaming, Acceleration and Policy Support) worked in Belarus. As a result of the MAPS mission, 4 platforms for accelerating the implementation of the SDGs (the so-called SDG Accelerators) were identified: "Green" transition to inclusive and sustainable growth; Future-oriented; Digital transformations and social innovations; Gender equality in society. In addition, a Roadmap for Achieving the SDGs was developed.

To manage processes of implementing the Sustainable Development Goals in Belarus, the National Coordinator for Achieving Sustainable Development Goals was created in early 2017, as well as the Council for Sustainable Development. It included representatives of government agencies and organizations at the level of deputy heads, the Parliamentary Group on SDGs at the National Assembly of the Republic of Belarus and regional groups for sustainable development formed by regional executive committees.

In addition, adhering to one of the main principles of the SDGs - leaving no one behind - a comprehensive Partnership Group for Sustainable Development was created in Belarus to work towards achieving the Sustainable Development Goals. The group was formed of representatives from both commercial and non-commercial civil society organizations, including public organizations registered by the established procedure in the Republic of Belarus, as well as representatives from international organizations that share the principles and provisions of the 2030 Agenda for Sustainable Development and actively participate in its implementation and popularization in Belarus.



Within the Partnership Group, thematic subgroups were formed, and coordinators were appointed for specific areas, such as ecology, economy, social issues, and education, as well as assessment and monitoring of progress towards the SDGs.

At the end of 2018, the electronic National Platform was launched³, which became the main tool for monitoring progress toward achieving the 17 Sustainable Development Goals in Belarus. It serves as a centralized hub for gathering and summarizing information on the progress toward the SDGs.

⁴ [Concept of NSSD-2035](#)



Taking into account the provisions of the roadmap designed as a result of the MAPS mission, the Concept of the National Strategy for Sustainable Development until 2035⁴ was formulated by the end of 2018. In order to ensure the broad participation of all interested parties in the development of the National Strategy for Sustainable Development until 2035, the Concept was brought to public discussion. However, due to the outbreak of the COVID-19

pandemic, the work on preparing and adopting the National Strategy for Sustainable Development until 2035 was suspended.

1.1.2 STRATEGIES AND PROGRAMS RELATED TO BUSINESS SECTOR

In the past, there were several programs and development strategies in Belarus, such as the Digital Economy Development Program for 2016-2020, and the Agricultural Business Development Program for 2016-2020, which have already been completed but had a noticeable impact on attracting foreign direct investment to Belarus.

Currently, several significant documents in place determine the development of entrepreneurship in Belarus and take into account the necessity of attracting foreign investment to the business sector.

These documents include the Presidential Decree No. 7 of November 23, 2017, "On the Development of Entrepreneurship," the "Strategy for the Development of Small and Medium-Sized Enterprises, Belarus - a Country of Successful Entrepreneurship" for the period until 2030, approved by the Council of Ministers in 2018, and the "State Program for Small and Medium-Sized Enterprises" for 2021-2025.

As part of the implementation of these strategies and programs, various measures are taken that are aligned with the priorities of social and economic development defined in the National Strategy for Sustainable Social and Economic Development of the Republic of Belarus until 2035, as well as contributing to achieving Sustainable Development Goals, in particular Goal 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and innovation."

To coordinate activities for the implementation of the Belarus Agenda - 2030, an architecture for managing the process of achieving sustainable development goals (SDGs) has been formed, which includes:

- National Coordinator for Achieving SDGs;
- Sustainable Development Council;
- National Assembly Group on Achieving Belarus' Sustainable Development Goals (Parliamentary Group on Sustainable Development);
- Regional Sustainable Development Groups;
- Sustainable Development Partnership Group;
- Public Council for Forming and Monitoring Strategies for Sustainable Development;
- Group for Coordinating the Work of the Media in Promoting SDGs;
- Youth SDG Ambassadors.

The Ministry of Foreign Affairs serves as the Secretariat of the National Coordinator and the Sustainable Development Council. The National Statistical Committee conducts monitoring of Belarus' achievements in SDGs based on national indicators³.

1.1.3 SUPPORT INFRASTRUCTURE FOR SMALL AND MEDIUM ENTERPRISES

In Belarus, anyone can start their own business by submitting an application. The government declares its assistance in finding production facilities and land for opening a business or expanding an existing one. To develop the entrepreneurial sector in the country, various preferential (especially favorable) rules are successfully functioning. There is a network of entrepreneurship support infrastructure entities in the country that provides informational and methodological services to start businesses, as well as to help to find partners, network structures, and obtain financial and non-financial support.

A. NETWORK STRUCTURES

Business interaction and building network structures are important requirements for survival in terms of global competition and uncertainty. Companies collaborate not only in the field of procurement and supplies but also establish partnerships that contribute to the promotion of new markets, technology development, representation of business interests in market relations, and in the field of legal regulation. The development of relationships between companies results in both contractual relationships and institutional structures: associations, business unions, confederations, and others.

According to Belstat, more than half of the current industry associations (59%) represent the service sector. A quarter of the existing associations belong to the agro-industrial complex and mainly include state-owned enterprises. The majority of the associations are industry-specific (82%) and organized at the republic level (83%). Regional associations are mainly either intersectoral or represent agricultural enterprises.

As of mid-2021, 232 business associations were operating in Belarus. More than half of them (55%) were established before 2010.

Active business associations in Belarus by registration periods
Source: Belstat

Established (year periods)	Before 2001 y.	2001 – 2010 y.	2010 – 2015 y.	2015 – 2020 y.	2020 – 2021 y.
% of active associations as of 2021	25%	30%	21%	17%	7%

B. NON-FINANCIAL SUPPORT FOR SMES

Belarus has a network of infrastructure support entities for small and medium-sized enterprises (SMEs), consisting of entrepreneurship support centers, small business incubators, and technology and innovation parks. Their main tasks include providing economic and organizational support to SMEs. The infrastructure support for SMEs includes Entrepreneurship support centers (ESC), Small business incubators (SBI), and Technology and innovation parks (TIP).

Entrepreneurship support centers (ESC). They assist in obtaining financial and material-technical resources, information, methodological and consulting services, training services and attracting qualified personnel, conducting training courses and marketing research, as well as providing other kinds of assistance to SMEs in their activities.

Small business incubators (SBI). They provide SMEs with premises and property, information and consulting services, assistance in finding partners, obtaining financial resources, conducting training courses, etc.

Technology and innovation parks (TIP). There is a network of 17 technology parks located in each of the 6 regions of Belarus and in Minsk. In addition, there are 3 large technology parks created for international cooperation in the field of business:

- The China-Belarus Industrial Park "Great Stone", which is located 25 km from Minsk. It has been operating since 2014. The area is 112.5 sq. km with a special legal power to ensure comfortable business conditions. There are production and residential areas; office, trade, entertainment complexes; and financial and scientific research centers on the territory of a park.

Statistics on non-financial support for SMEs in Belarus (as of 01.01.2023)
Source: Belstat

Region	ESC	SBI	TIP
Brest	17	3	3
Vitebsk	7	2	2
Gomel	5	4	3
Grodno	20	1	1
Minsk	17	3	3
Mogilev	12	4	2
Minsk city	23	3	3
Total for Belarus	101	20	17 + 3 = 20

⁵ [Website of the Association "Infopark"...](#)



- The Belarusian Association of Software Developers "Infopark" which is located in Minsk⁵.
- High-Tech Park. It was considered the leading IT cluster in Central and Eastern Europe, offering the best conditions for opening, conducting and developing business. "Silicon Valley of Eastern Europe", "World Center for

⁶ [The Wall Street Journal website](#)



⁷ [Forbes website](#).



Artificial Intelligence Development", and "Heaven for Programmers" - are just some of the assessments of authoritative foreign media such as The Wall Street Journal⁶, Forbes⁷, and Financial Times.

C. FINANCIAL SUPPORT FOR ENTREPRENEURSHIP

Financial support for entrepreneurship in Belarus is provided from the funds of the national and local budgets, including within the framework of programs for state support of small and medium-sized businesses, by providing:

- Financial resources on a repayable or non-repayable basis;
- Property on the terms of the financial lease (leasing);
- Guarantees that ensure the performance of small business entities' obligations under loan agreements, financial lease agreements (leasing), concluded by banks with small business entities;
- Subsidies to compensate for a part of the interest on bank loans;
- Subsidies to compensate for a part of the expenses for payment of leasing payments under financial lease agreements (leasing) in part of the payment of the lessor's remuneration (income);
- Subsidies for reimbursement of expenses associated with participation in exhibitions and fair events or their organization;
- Subsidies to infrastructure entities.

Banks of the Republic of Belarus provide preferential loans, including microloans, from the funds of local budgets provided for by programs for state support of small and medium-sized businesses.

1.1.4 SDG LOCALIZATION BY THE BUSINESS SECTOR IN BELARUS

The SDGs are integrated into the programs and business development strategies in Belarus, primarily through: 1) developing innovative approaches to implementing Accelerators for achieving the SDGs (Green transition to inclusive and sustainable growth; Orientation towards future generations; Digital transformations and social innovations; Gender equality in society); 2) strengthening inter-sectoral cooperation between economic entities; 3) developing regions and rural areas of Belarus.

All the above-mentioned business development strategies and programs have direct or indirect references to the indicators of achieving the global SDGs, primarily Goal 8. "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" but also to other SDGs:

- Goal 4 (Quality education)
- Goal 5 (Gender equality)
- Goal 9 (Industry, innovation, and infrastructure)
- Goal 11 (Sustainable cities and communities)
- Goal 12 (Responsible consumption and production)
- Goal 17 (Partnerships for the goals).

One way to integrate SDG indicators into the activities of business companies is to join the UN Global Compact and implement the concept of corporate sustainability. In Belarus, the UN Global Compact Network has been operating since 2007 and by the end of 2021, it had 25 companies, one business association, and 5 non-profit organizations.



The most relevant initiatives of the UN Global Compact were implemented through training programs:

- Target Gender Equality – a program to accelerate gender equality for participating companies.
- Young SDG Innovators – an opportunity for UN Global Compact participating companies to identify young talent within their organizations for collaboration and accelerating business innovations in achieving the SDGs.
- Climate Ambition Accelerator – a six-month program designed to equip companies with the knowledge and skills needed to accelerate progress towards achieving scientifically grounded emission reduction goals in line with the 1.5°C trajectory, leading them to net-zero emissions by 2050. Ambitious business leaders recognize that they don't have to choose between taking climate action and making a profit.
- The SDG Ambition Accelerator is a six-month program aimed at supporting companies in setting ambitious corporate goals and accelerating the integration of the 17 Sustainable Development Goals into the management of their core business.

1.2 GEORGIA

1.2.1 SHORT POLICY CONTEXT RELATED TO SDG NATIONALIZATION

The main policy vector for Georgia in terms of green growth and a sustainable/well-being economy is defined by the commitments of the country towards the Association Agreement with the EU. Georgia has signed the Association Agreement with the European Union to promote political association and economic integration in the union. The agreement envisages the increase of Georgia's involvement in EU strategies, programs and organizations. According to Article 301 of the Association Agreement, the parties will build and strengthen their relations, considering the long-term goals of sustainable development and a green economy.

An important aspect defining Georgia's orientation towards sustainability was joining the Sustainable Development Agenda - "Transforming our world: The 2030 Agenda for Sustainable Development" by the UN in 2015. The agenda includes 17 goals and 169 tasks. The new goals focus on three interrelated elements of sustainable development: economic growth, social inclusion and environmental protection.

In 2016, Georgia joined the Green Growth Declaration of the Organization for Economic Co-operation and Development (OECD), the main purpose of which is cooperation between countries to promote the development of a green economy. Based on the principles of the mentioned declaration, the Ministry of Economy and Sustainable Development of Georgia is developing a green economy policy document and a national strategy for green growth, the main goal of which is to promote the modernization of the Georgian economy, to create a basis for sustainable and green development. The steps taken towards green development will have a positive impact on the international image of Georgia and will give the country an opportunity to join the ranks of developed and advanced countries.

In order to address the implementation of the sustainable development goals, the process of nationalization of these goals was initiated by the Administration of the Government of Georgia. After lengthy consultations, considering the challenges the country faced along with the national context, all 17 sustainable goals and 93 targets were determined to be national priorities. The nationalization process incorporated all relevant government agencies and civil society as well as the UN agencies in Georgia.

The National Document for the SDGs⁸ was prepared by the Administration of the Government of Georgia and is in accordance with the UN General Assembly Resolutions A/RES/70/1 of September 25, 2015, and A/RES /71/313 of July 6, 2017. Given its complexity and as a result of close cooperation and active work of governmental, non-governmental, private organizations, academia and Geostat, the time frame for implementation of each of the sectoral tar-

⁸ [The Sustainable Development Goals National Document](#);
Access date: 18.03.2023.



⁹ Decree of the Government No. 629 "On the Approval of the Rules of Procedure for Development, Monitoring and Evaluation of Policy Documents. Dec 30, 2016. Access date: 18.03.2023.



gets was defined and the baseline and target values of 200 indicators were determined (for 2030). A special matrix was developed to gather the commitments made by each ministry for the implementation of the SDG.

The Sustainable Development Goals National Document equally addresses the three dimensions of sustainable development – economic, social and environmental. It also contains a national definition of the goals, targets and indicators, according to which Georgia will ensure to plan national and sector-specific policy until 2030. In 2015, the Administration of the Government of Georgia was assigned to lead the nationalization and coordination process of the SDGs at the highest political level. To facilitate the implementation and monitoring of the goals, the Prime Minister of Georgia established and defined the members of the Sustainable Development Goals Inter-Agency Council. The chairperson of the council is the head of the Administration of the Government of Georgia. The Council has 4 thematic working groups: - Social Inclusion; - Economic development; - Sustainable Energy and Environmental Protection; - Democratic Governance. The technical assistance to their work is provided by the Secretariat, the functions of which are carried out by the Policy Planning Unit of the Policy Planning and Coordination Department at the Administration of Government of Georgia. All stakeholders from the public, civil, international, academic and private sectors are involved in the work of the Council and working groups.

To be effective, the SDGs need to be deeply integrated into the national policy process. Based on this reflection, the Administration of Government worked with the line ministries, government agencies, civil society and its international partners to establish a new Policy Planning and Coordination System in Georgia.⁹ The Decree is backed up by the detailed Policy Planning, Monitoring and Evaluation Handbook which provides a methodological basis for all required steps in policy planning and evaluation. The handbook assures deep integration of SDGs in the sector policy process – not only any of the newly adopted strategic documents must be drafted having in mind the connection with SDGs, but goals that will be listed in the logical framework, should relate to the SDGs. The logical frameworks required for the operationalization of the strategies align these goals closer to the budgetary planning process.



The Ministry of Economy and Sustainable Development of Georgia is responsible for the fulfillment of 14 different tasks of 4 Sustainable Development Goals, namely: Goal 7, Goal 8, Goal 9; Goal 10 - reduction of inequality within the country and between countries. These tasks include energy efficiency, renewable energies, access to energy services, economic growth, entrepreneurship, innovation and new technologies, tourism, communication, employment, development of small and medium enterprises and their access to finance. Specific actions, target indicators and their connection with various policy documents have been determined by the Ministry, which will ultimately contribute to the implementation of the nationalized tasks of sustainable development goals.

The Sustainable Development Division was created under the Ministry of Economy and Sustainable Development to address the green economy needs. The main tasks of the Sustainable Development Promotion Division are to

coordinate the development of the strategy of sustainable development; coordinate the relevant directions of the UN Sustainable Development Goals; coordinate the fulfillment of the relevant obligations assumed by the association agreement with the European Union regarding energy labeling of energy-consuming products and harmonization of legislation in this direction; developing green economy and green growth policy documents and facilitating the implementation of necessary measures to encourage the green economy in the country.

Documents with Highest Number of Nationalized SDG Targets
Source: Voluntary National Review 2020

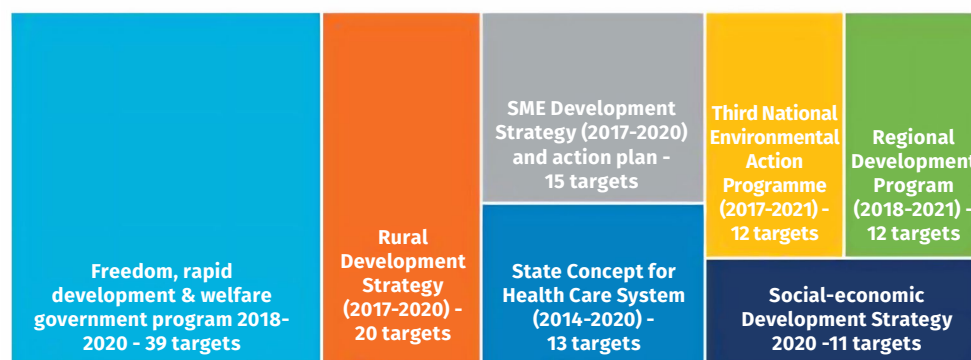


Figure 1: Policy Documents with the highest number of nationalized SDGs Targets

The Government, with the support of the UN Country Office and external experts, made a sequence of steps to organically integrate the SDGs into national policy documents. In 2019 UNDP Georgia supported MAPS (Mainstreaming, Acceleration and Policy Support for the 2030 Agenda) study in order to identify the state of play of SDGs in the country.

Initially, experts assessed 55 national and sub-national policy documents (strategies, action plans, regulatory acts) with the SDGs. Secondly, the extent to which national budgets reflected the priorities outlined in the strategic documents was analyzed through the review of the national budget Basic Data and Directions document for 2017-2020 (2019-2022 budgeting cycle). The final step was to conduct a “complexity analysis” to assess the capacity to which achieving SDG targets in one area could help to accelerate progress in other areas. Some of the policy documents assessed are provided in the chart below.

¹⁰ Voluntary National Review 2020, Report on the Implementation of the 2030 Agenda on Sustainable Development. Secretariat of the SDGs Interagency Council of Georgia, Administration of the Government of Georgia, Tbilisi, 2020.



The results of the research showed that the integration of three dimensions of sustainable development (economic, social and environmental) into Georgia’s development planning is very high: The 36 national strategies and the Georgia-EU Association Agreement incorporate 93 percent of the country’s nationalized SDG targets.¹⁰ The EU-Georgia Association Agreement alone incorporates 63 percent of the country’s nationalized SDG targets – by far the largest share of any Georgian strategy or planning document. This high degree of alignment shows the extent to which the European integration agenda and Agenda 2030 are mutually reinforcing. Moreover, the Association Agreement includes targets missing from other national strategies.

However, an uneven balance between the three dimensions of sustainable development remains a challenge. In the past years, the Government has

been consistently accenting the need for re-balancing the policies heavily focused on growth to include higher relevance of the social agenda. There are also some missing targets that require further integration. The 7 percent of targets missing from the policy discourse in the strategic documents are for SDGs 5 (Gender), 10 (Equality), 16 (Peace) and 17 (Partnerships). This relatively unbalanced level of integration is reflected in the budget allocations. Based on the analysis of the budgeting process, Peace (SDG 16), Health (SDG 3), Education (SDG 4), Poverty (SDG 1), Infrastructure (SDG 9) and Equality (SDG 10) received the largest shares of the budget, and thus can be considered de facto national priorities. For other SDGs, however, funding was less generous and visible. For Gender (SDG 5), and the “Planet” goals (SDGs 6, 12, 13, 14 and 15), programmed amounts accounted for only 3 percent of the total.¹⁰

1.2.2 STRATEGIES AND PROGRAMS RELATED TO BUSINESS SECTOR

In recent years, Georgia has undertaken significant measures to support its enterprise sector, making it an attractive destination for foreign investment and business development. These measures include simplifying regulations and procedures for businesses, reducing the number of licenses required to operate a business, and streamlining the process of registering a company. Georgia also offers tax incentives and exemptions to support businesses. Additionally, the government has established several business support organizations that provide programs to support access to finance, markets, and technical knowledge for the enterprise sector. Overall, these efforts have contributed to the growth of Georgia's enterprise sector and helped to establish a favorable environment for business development in the country.

Georgia has also developed several strategic documents aimed at supporting the country's business sector, demonstrating its commitment to creating a favorable environment for enterprise development.

¹¹ [The SME Development Strategy of Georgia 2021-2025](#) Georgia, the Ministry of Economy and Sustainable Development of Georgia. Access date: 18.



A. SME DEVELOPMENT STRATEGY OF GEORGIA 2021-2025

The SME Development Strategy of Georgia 2021-2025¹¹ is a government-led initiative aimed at supporting the development and growth of small and medium-sized enterprises (SMEs) in Georgia. The strategy outlines a set of objectives and initiatives aimed at creating a more favorable environment for SMEs to operate and grow, with a focus on enhancing their competitiveness, productivity, and innovation. The priorities of the strategy include Refining Legislation, institutional strengthening and improvement of the operational

environment for SMEs; Promoting the development of entrepreneurial skills and raising the entrepreneurial culture of SMEs; Improving access to finance for SMEs; Promoting export growth, access to market and internationalization of SMEs; Promoting electronic communications, information technologies, innovation and R&D for SMEs; Promoting the development of women entrepreneurship; Promoting the development of Green Economy for SMEs. The strategy recognizes that SMEs have an important role to play in achieving the SDGs and that their development and growth can contribute to the attainment of the goals.

The strategy identifies several specific SDGs that are particularly relevant to SMEs in Georgia, including SDG 8: Decent Work and Economic Growth - The strategy aims to promote the growth of SMEs in Georgia as a means of creating new jobs and improving the overall economic situation in the country; SDG 9: Industry, Innovation and Infrastructure - The strategy recognizes the importance of innovation and technological development in supporting the growth and competitiveness of SMEs; SDG 12: Responsible Consumption and Production - The strategy aims to promote sustainable and responsible business practices among SMEs, with a focus on reducing waste and promoting environmentally friendly practices; SDG 17: Partnerships for the Goals - The strategy emphasizes the importance of partnerships between government, private sector, and civil society organizations in supporting the development of SMEs in Georgia.



The strategy also includes a set of specific initiatives and actions aimed at promoting the integration of SDGs in SME development in Georgia, such as providing support for sustainable business practices, promoting the development of green technologies, and strengthening partnerships between SMEs and other stakeholders in support of the SDGs.

B. AGRICULTURE AND RURAL DEVELOPMENT STRATEGY OF GEORGIA 2021 - 2027

The major vision of strategy¹² is to diversify/develop economic opportunities in rural areas and improve the social condition and quality of life, based on sustainable development principles. The strategy has such goals as achieving competitiveness in agricultural and non-agricultural sectors, sustainable usage of natural resources, retaining the eco-system, adaptation to climate change, and establishing effective systems of food/feed safety, veterinary and plant protection. To achieve progress, the strategy includes a wide range of objectives starting from raising awareness of farmers and entrepreneurs and developing a non-agricultural value chain by focusing on diversification, innovative technologies, cooperation and support to producers' unions to supporting integration of farmers/entrepreneurs on the market and stimulating young farmers and entrepreneurs in rural areas, supporting the implementation of energy-efficient and renewable energy technologies and practices, etc.

¹² Agriculture and Rural Development Strategy of Georgia 2021 - 2027, The Ministry of Environmental Protection and Agriculture of Georgia.
Access date: 18.03.2023.



C. GREEN GROWTH POLICY

In 2016, the Ministry of Economy and Sustainable Development developed the first draft of the Green Growth Policy document in cooperation with and the support of GIZ, which defined the expected development of the green economy directions. The major themes discussed in this field are ecotourism, more productive land use, diminishing the negative impacts on the environment and energy efficiency. The major obstacles to this direction are limited awareness of the businesses, limited access to green finances and the capacity of the small businesses to implement such measures in their activity, and limited adoption of standards as a result. Among others, the main issue about green growth is the absence of a high-level strategy for green growth. The Sustainable Development Promotion Division of the MoESD is actively seeking donor support to develop Green Growth Strategy. There are no specific outputs developed so far but the likely directions of the strategy will include (but are not limited to) initiatives under the directions of the manufacturing industry; tourism / ecotourism; transport; buildings efficiency; solid waste; cross-cutting themes: decarbonization and climate change and so forth.

1.2.3 SUPPORT INFRASTRUCTURE FOR SMALL AND MEDIUM ENTERPRISES

A. THE AGENCY “ENTERPRISE GEORGIA” (LEPL)

The Agency “Enterprise Georgia” (LEPL) was established in 2014 and represents the main state institution for supporting entrepreneurship, in particular SMEs in the country. The Agency aims to increase the competitiveness of the private sector, using entrepreneurship support tools, as well as to support export growth and to encourage foreign direct investment attraction. Following these aims, the agency has 3 key directions: 1) Business Development; 2) Export Support; 3) Attraction of investments.

Business Development group of programs by Enterprise Georgia (LEPL)

Program	Description
Industrial Component	Includes co-financing of an interest rate on a loan approved by a commercial bank or a leasing company
Hotel Component	Enables entrepreneurs to develop the hotel businesses and create new jobs
Technical assistance	Within the framework of which the beneficiaries are being reimbursed for the expenses occurred by information-consulting services within the established limits

Micro and Small Business Support	Aiming the development of micro and small businesses, establishment of modern entrepreneurial culture and creation of new jobs, provision of necessary financial support and technical assistance for starting a business and / or re-equipping an existing one.
The credit guarantee scheme	Aims to improve access to finance for SMEs that do not have the ability to meet their loan requirements, to promote lending to the economy and to ensure inclusive economic growth
New ad hoc programs	With the purpose of supporting particularly affected industries by the pandemic

In addition to the abovementioned, for stimulation of export, to increase the country's export potential and for the popularization of Georgian products, the export direction of the agency permanently works on the identification of sectors with high export potential and further supports them. With the organization and co-financing of “Enterprise Georgia”, Georgian exporters participate in international exhibitions and other export-promoting events every year. In addition, for business education, the Agency, together with the leading Georgian universities, has been conducting the Export Managers Certification Course since 2015, which includes all important modules on export-related operations.

In the framework of the “Invest in Georgia” direction, the agency proactively communicates with potential investor companies, to inform and engaged them in investment opportunities of the Country.

B. GEORGIA’S INNOVATION AND TECHNOLOGY AGENCY (GITA)

Georgia’s Innovation and Technology Agency was established in 2014 and it is the main state institution supporting the development of knowledge and innovative technologies-based economy. Among the Agency’s goals can be mentioned coordination of the process of creation and development of an innovative ecosystem in the country, stimulation of innovation, modern technologies, research and development (R&D), promotion of commercialization and application thereof, creation of innovative start-up companies and growth of their competitiveness, etc. To achieve the mentioned objectives, the agency has both components - financial assistance and the acquisition and delivery of relevant services for start-up innovative companies.

C. RURAL DEVELOPMENT AGENCY

Rural Development Agency (ARDA) was established in 2019 by the Ministry of Environmental Protection and Agriculture to promote rural development in Georgia. The main purpose of the Agency is to promote and stimulate the development of production-oriented agriculture industries in rural areas of

Georgia. The Agency implements projects in the areas of supporting the establishment and expansion of the enterprises in agriculture, such as Plant the Future, Preferential Agro Credit Project, Agroiinsurance, Program of Agro-production Promotion and so forth.

D. OTHER BUSINESS SUPPORT PROGRAMS PROVIDED BY DONORS

International development cooperation actively helps Georgia develop its private-sector enterprises. In this regard, various programs operate in Georgia. The main programs are provided below:

Programs by international development partners supporting the enterprise sector in Georgia

Program	Description
ENPARD (EU)	The main goal of the ENPARD program is to reduce rural poverty. It uses the support of local farm service centers, providing grants to small farmers and cooperatives to grow and scale up.
USAID Agriculture Project (USAID)	Aims at accelerating the growth of agricultural sub-sectors in Georgia that show strong potential to create jobs, grow incomes, and increase revenues of micro, small, and medium enterprises.
The Economic Security Program (USAID)	The purpose of the Program is to accelerate broad-based growth of sectors outside of agriculture that show strong potential to create jobs; increase incomes; raise enterprise revenues; and support diversification.
GENIE (The World Bank)	The objective of the Project is to increase the innovative activities of firms and individuals and their participation in the digital economy.
EU4 Business	Supports SMEs support organizations in the country. The support includes trips to EU countries, technical assistance, economic cooperation and investment opportunities.
EBRD DCFTA Direct Support Facility	The program helps companies to improve products and services and diverse export markets and through this accelerate economic growth
EBRD Small Business Initiative	Through this program EBRD offers integrated toolkits for SMEs to be able to be financed through banks, offering SMEs business advice, and technical assistance.

1.2.4 SDG LOCALIZATION BY THE BUSINESS SECTOR IN GEORGIA

Most importantly, the study by Global Compact Network Georgia showed that among sustainability goals, the Georgian business community areas of priority have been human capital development and social welfare. The second most frequently applied practices relate to Economic growth. Other areas, such as Democratic governance have been also addressed but the practices are less common. This section below is primarily based on the findings of the study.

Share of companies who apply practices contributing to Human capital development and social welfare
Source: Global Compact Network Georgia, 2020

Which of the directions listed below are addressed by your CR projects? (multiple answers possible)	Total number	Large	Medium	Small
GOAL 1: reduction of poverty in all forms	24.8 %	36.5%	31.1%	10.0%
GOAL 2: ending hunger, improving food safety and nourishment standards, promoting sustainable agriculture	19.3%	34.5%	21.1%	6.2%
GOAL 3: promoting wellness and a healthy lifestyle for people of all ages	14.9%	29.0%	15.7%	3.6%
GOAL 4: promoting inclusive and equal education and creating continuous learning opportunities for everyone	6.1%	13.0%	6.5%	0.5%

A. HUMAN CAPITAL DEVELOPMENT AND SOCIAL WELFARE

In order to address human capital development and social welfare priorities, companies focus on three major goals: (1) poverty eradication, (2) improvement of health and the promotion of a healthy lifestyle, and (3) support for quality education. The companies reported that they have been addressing these directions with their activities in various forms.¹³

Companies are supporting Goal 1 by providing financial assistance and charity work to vulnerable groups. In terms of empowerment, some companies are supporting people in Georgia's regions by purchasing their products and providing training on entrepreneurship and financial literacy. Companies are also contributing to Goal 3 by providing health insurance to their employees and promoting healthy lifestyles through sports events. Goal 4 is a top priority for Georgian companies, as they support the professional and personal development of their staff through training centers and capacity-building activities.

B. ECONOMIC GROWTH

Georgian companies support sustainable economic growth through the application of energy-efficient and environmentally friendly technologies and practices. This includes the use of energy-efficient lamps for office lighting, energy-efficient construction and manufacturing materials, or renewable,

¹³ Private Sector Contribution to Georgia's 2020 Voluntary National Review on Sustainable Development Goals, July 2020, Global Compact Network Georgia

Share of companies
who apply practices
contributing to Economic
Growth
Source: Global Compact
Network Georgia, 2020

electric energy sources in their offices instead of the more ecologically harmful alternative, gas. Companies are increasingly installing solar panels in their offices. There is also general support among the companies for active environmental measures such as the restoration of forests and green territories.

With regard to Goal 8, two major models have been observed: first, companies producing or selling material products usually contribute to economic growth through reinvestment in infrastructure and productive capacities; second, the companies from the service sector usually provide free services to preliminarily determined target groups (entrepreneurs and young businesses with potential to contribute to the economy) to support them in the process of entering and building up young industries establishing their place in the market. Businesses pay particular attention to regional development and the expansion of their vision, products and services in the regions as well. Many companies assist regional development by supporting the employment of locals at the sites of their projects. Policies and guidelines provide equal employment and remuneration to every individual on these work sites.

Due to 2019 legislative changes, every company pays close attention to labor safety. Special labor safety and monitoring mechanisms are created by the companies operating in the energy, construction and manufacturing/industrial fields.

Which of the directions listed below are addressed by your CR projects? (multiple answers possible)	Total number	Large	Medium	Small
GOAL 7: accessible, reliable, sustainable and modern energy	2.8%	5.8%	3.0%	0.3%
GOAL 8: promoting stable, inclusive and sustainable economic growth, and full, productive employment	2.8%	6.5%	3.0%	0.0%
GOAL 9: developing sustainable infrastructure, promoting inclusive and developed Industrialization and innovation	3.9%	8.9%	2.7%	1.3%
GOAL 12: sustainable consumption and production	6.3%	10.2%	7.6%	2.1%

A number of companies, regardless of their industry, have contributed to Goal 12. According to the findings, companies: 1) pay attention to the management, processing and utilization of industrial waste; 2) some companies monitor and research the impact of their work on the environment; 3) companies promote sustainable consumption practices in their offices and at their sites (waste management, reduced usage of plastic, recycling of office waste, etc.).

In terms of equal treatment, examined companies are committed to the principle of equality in their work. Some companies have guidelines that promote non-discrimination, inclusion and gender equality.

2. ASSESSMENT OF THE SITUATION AT REGIONAL AND LOCAL LEVELS IN BELARUS AND GEORGIA

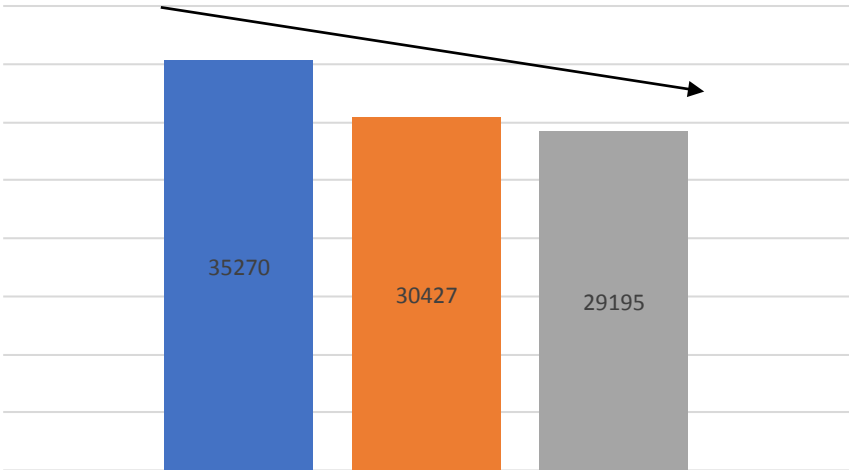
2.1 BELARUS

To examine the socio-economic state, identify prevailing issues, and evaluate the prospects for localization of the SDG at the local level, the municipality of Bykhov was selected as an indicative case for this analysis. Bykhov offers a comprehensive picture of socio-economic conditions across all districts of the Republic of Belarus and thus serves as a suitable focal point for this study. Through this approach, a thorough and nuanced evaluation of the challenges and opportunities faced by municipalities in Belarus can be conducted.

2.1.1 SOCIO-ECONOMIC PROFILE OF BYKHOV MUNICIPALITY

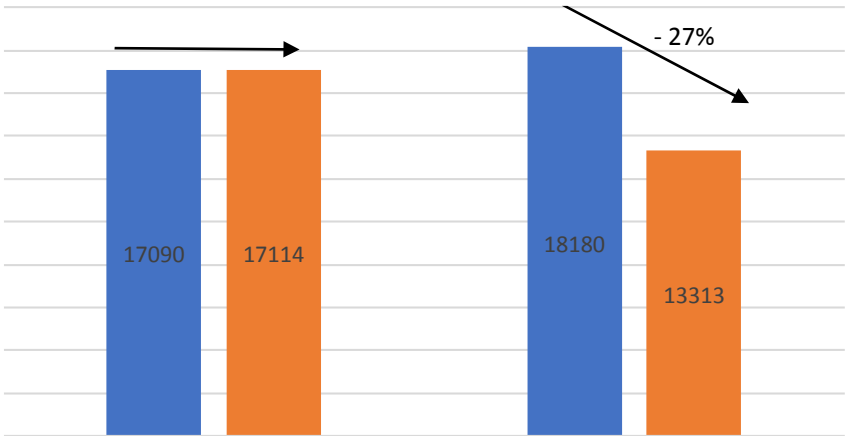
According to statistical data as of the beginning of 2022, there were 29,195 residents in Bykhov district. For comparison, in 2020, there were 30,427 people, and in 2010, there were 35,270 people. The population is characterized by both external and internal migration, in addition to natural decline. Young people and rural residents in particular seek to move to the city of Bykhov for better employment opportunities and living conditions.

Population size in the municipality
Source: Municipality data., 2022.



Population size of urban and rural areas in the municipality
Source: Municipality data, 2022

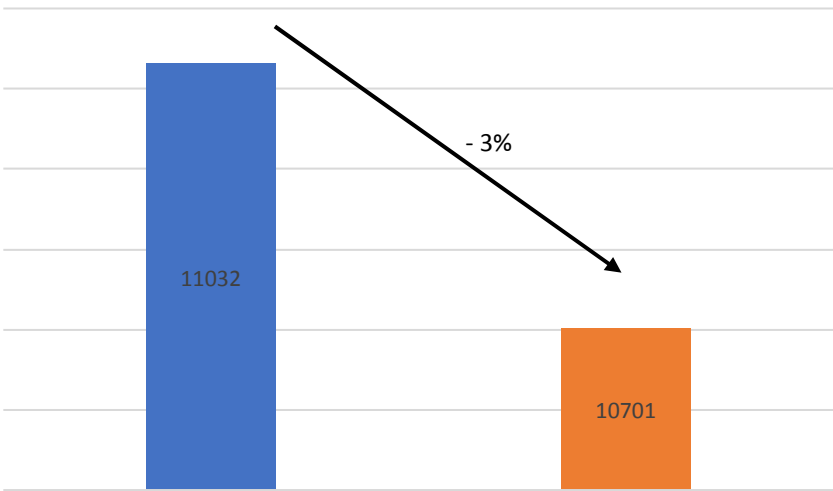
The trend of internal migration is particularly evident when analyzing changes in the population of urban and rural residents over the past 10 years. In 2022, there were 17,114 residents in the city and 13,313 in rural areas. In 2010, there were 17,090 urban residents and 18,180 rural residents.



Women make up approximately 54% of the total population in 2022, 2020, and 2010.

The reduction in the population is also reflected in the number of people employed in the economy. Over the last two years, the municipality has lost about 3% of its workforce. In 2020, the number of employed people was 11,032, while in 2022, it was only 10,701 people.

Size of employment in the municipality
 Source: Municipality data, 2022



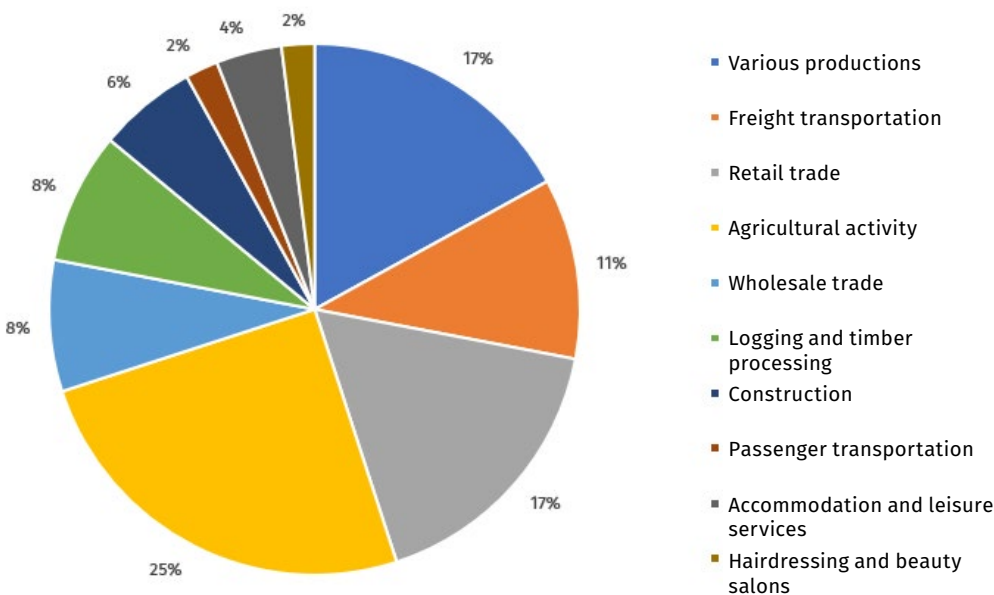
At the same time, the level of official registered unemployment has not changed over these years. As of December 2022, it amounted to 0.1% of the labor force (as of December 2020, also 0.1%).

The nominal accrued average monthly wage of employees in the district (excluding micro-organizations and small privately-owned organizations) in 2021 amounted to 1004.40 rubles (equivalent to 349.22 euros at the conversion rate in December 2021 (InforEuro)), and in 2022 it was 1130.60 rubles (equivalent to 432.85 euros at the conversion rate in December 2022 (InforEuro)).

As of January 1, 2023, there are 599 individual entrepreneurs and 165 private organizations (including 23 farms) operating in the district.

In 2022, 46 individual entrepreneurs and 13 private organizations were registered: cargo transportation, logging, services, production, agriculture, and leisure and entertainment activities.

Distribution of private enterprises by areas of activity
 Source: Municipality data, 2022



The share of the number of private enterprises by activity areas is the following: freight transportation (11.5%), retail trade (17.0%), various industries (17.0%), agricultural activities (24.9%), wholesale trade (7.8%), logging and wood processing (8.5%), construction (6.1%), passenger transportation (1.8%), accommodation and leisure services (3.6%), hairdressing and beauty salons (1.8%).

In 2022, 33.5% of the budget revenues were generated by business entities, 26.0% of which came from private commercial entities and 7.5% from individual entrepreneurs.

The Local Support Fund for Sustainable Development Initiatives "Sustainable Region" operates as the center for entrepreneurship support in the Bykhov district of the Mogilev region. The main activities of the fund include:

- consultation and technical assistance to small business entities and individuals on issues related to choosing and registering the organizational and legal form of a legal entity, conducting entrepreneurial, artisanal, and agro-ecotourism activities;
- development of action plans for peasant (farm) households (this document is necessary as a justification for the allocation/increase of land plots);
- holding seminars on current issues in entrepreneurship;
- provision of secretarial services (filling out reporting documents, including in electronic form, maintaining electronic document flow of entrepreneurs);
- training unemployed citizens in the course "Fundamentals of Business Planning" as part of the state employment assistance program. Subsequently, these citizens prepare a business plan for starting their own business (with the advisory support of a fund specialist) and can apply for state subsidies.

In 2022, local authorities provided direct financial support to 5 citizens for starting entrepreneurial activities in the amount of 18,920.65 rubles (equivalent to 7,243.74 euros at the conversion rate in December 2022 (InforEuro)).

2.1.2 BEST BUSINESS PRACTICES FOR LOCALIZING THE SDGS AND INTRODUCING INNOVATIVE TECHNOLOGIES

A. CREATING THE CHIGIRIN CLUSTER

Creating the Chigirin Cluster is one of the most important projects in the Mogilev region of the Republic of Belarus in the field of tourism and the development of non-agricultural entrepreneurship in rural areas. The activity of the Chigirin Cluster as a pilot project has been approved by the interde-

partmental expert and coordination council on tourism under the Council of Ministers of the Republic of Belarus.



Geographically, the cluster participants are located around the Chigirin reservoir on the Druč river within the Bykhov and Kirov districts. The area has well-developed infrastructure and is assessed as having high potential for the growth of tourism and related industries. A landscape-oriented approach to territorial development has been applied here, and this area has been designated as a Republican-level recreation zone "Chigirinka". The project enterprise has developed a master plan for special planning, which is a strategic architectural and economic planning and zoning document that takes into account ecological and nature conservation norms. The public and businesses participated in its development.



Creating the Chigirin Cluster is a form of cooperation in response to the challenges which the tourism destination faces. To create it, the existing infrastructure was studied, including about 50 objects of various forms of ownership, such as estates, recreation bases, public catering, transportation, and others. A problematic field for territorial development was identified: services with low competitiveness even compared to other regions and tourist areas of Belarus, the lack of interaction or any forms of partnership, as well as tourist service chains, problems with managing food, logistics, etc. As a result, the local authorities, businesses, and residents decided to unite into a community that would give impact to the development of entrepreneurship, improvement of business processes, enhancement of tourism and engineering infrastructure, etc.

There are a total of 15 participants in the cluster (agro-estates, recreation bases, craftsman, NGO), of which only one participant is of state ownership. The partners of the cluster are the Bykhov and Kirov district executive committees, the committee on economics and the management of sports and tourism of the Mogilev regional executive committee, and some state organizations.

The key organization in the Chigirin tourist cluster is the "Sustainable Region" Foundation (NGO), which is engaged in:

- organizing joint events of Cluster participants;
- establishing interaction with government bodies and local authorities;
- developing collaborative programs of action for the Cluster and cluster initiatives;
- organizing events to exchange experience between the initiative participants, training events to improve the competence of cluster participants;
- supporting the Chigirin cluster's Internet resources;
- conducting media information campaigns to highlight the Cluster's activities and development prospects.

As part of cluster development, the following actions were completed:

- an event calendar has been formed and 8 local events have been held on the territory of cluster participants -the business camp, folk holidays, family creative events;
- marketing events have been implemented: a corporate style has been created, advertising has been placed on billboards, social networks have been involved, a website with services of cluster participants and partners has been developed, promotional products have been developed, 3 contests for holidaymakers have been held;
- 5 pilot package tours lasting from 1 to 3 days have been invented, including kayaking trips, bike rides, wild plant gathering, culinary and craft workshops, and animation programs;
- the information center of the Chigirin tourist cluster has been opened in the village of Chechevychi, Bykhiv district.

Cluster participants have developed a joint action program and formed a local umbrella brand - Chigirin Tourist Cluster, which becomes more recognizable with each passing day, constantly studying the needs of tourists to build a chain of services and involve new participants. Soon, the following are planned to join the cluster: a passenger carrier, a mobile cafe, and 5 private household plots selling products from their farms (milk, cottage cheese, eggs, meat, etc.).

It is important to note that in cluster development, the role of partners, namely the authorities at the regional and district levels, is crucial. For example, the Committee on Economics provides methodological assistance in shaping the cluster model of interaction, while the management of sports and tourism provides informational and organizational support. Cooperation with the Bykhov and Kirov district executive committees is carried out to address current and economic issues such as clearing logging sites, maintaining roads to settlements, waste disposal, participation in events, etc. In addition, potential investment opportunities for tourism facilities are discussed jointly, and investors, who may become participants in the cluster in the future are sought.

The cluster model involves applying science. Cooperation is being established with higher educational institutions in the city of Mogilev, which can conduct research with the involvement of students in the tourism and economics fields. The possibility of students undergoing internships at cluster participants' facilities is being considered for the future.

B. THE MARKETING AND CHEESEMAKING CENTER "MOLOCHNY KUFÉRAK"

The Marketing and Cheesemaking Center "Molochny Kuférak" is a unique project that has been implemented to create an energy-efficient model of a building for the marketing and cheesemaking center of the "Gorskaia Sokrovishchnitsa" women's cooperative, founded on the predominant use of low-carbon energy (solar energy) in the Krasnopolye district of the Mogilev region in Belarus. This project was implemented by the women's cooperative "Gorskaia Skarbnytsa" (NGO) in conjunction with local residents and authorities.

The project aimed to develop women's entrepreneurship in rural regions and popularize the use of solar energy for production purposes. Within the framework of the project, the Marketing and Cheesemaking Center "Molochy Kuférak" was established. It is a unique platform for developing personal subsidiary farms and promoting alternative types of employment in rural areas. Anyone interested can receive training in cheese making at the center, and mentors (also local residents with experience) are always available to provide support with the first steps of cheese production and promotion.

Partly, this center operates similarly to business support centers. However, due to the lack of appropriate status (not registered with the Ministry of Economy of the Republic of Belarus), it operates as an informal consulting institution. **Its main functions are:**

- providing local residents with equipped space for the independent production of homemade cheeses;
- conducting educational events for local residents to improve their competencies in various areas of rural business (production, marketing, management);
- providing services to local residents to promote and sell their products;
- conducting educational work among the local population to popularize small businesses;
- conducting educational work among the local population to popularize the use of green economy in everyday life and business;
- developing and implementing projects to extend private agricultural production.

To carry out its activities, the center is furnished with energy-efficient equipment for cheesemaking, refrigeration equipment, and a solar power station, which allows the center to operate autonomously.

The uniqueness of the center is that it offers not only cheese-making training, but also training in the areas of sustainable development, gender balance, and expanding the participation and role of women in the development of environmental and rural business projects.

C. "DELICATE BASKET" (CREATING A CONSUMER BASKET FROM FARM PRODUCTS)

"Delicate Basket" is the name of the initiative implemented by the local fund "Eco-Innovation" (NGO) to develop agricultural business within the EU/UNDP

project "Support for Economic Development at the Local Level in the Republic of Belarus" in the Bragin district.

The activity included 3 components:

1. Improvement of grain storage conditions by reconstructing the warehouse and installing a ventilation system;
2. Strengthening the potential of dairy herds of farmers by breeding stock and training farmers and entrepreneurs in cheese-making for implementation;
3. Promotion of farm products based on digitization.

One of the significant events was a competition among residents of the district who wanted to obtain large and small horned cattle to raise in their subsidiary farms, i.e. to start an agricultural business. In the beginning, 7 breeding cows and calves with potential milk production of up to 8,000 liters per year were acquired and handed over to personal subsidiary farms. Interestingly, the winners who received the cattle for breeding had to give their first calves to neighboring farms that did not have any cattle but wished to engage in agricultural entrepreneurship. This mechanism allowed many rural residents to participate in milk production. Overall, 11 personal subsidiaries and farm households, which comprised 30 local residents, have strengthened their material and technical base for agricultural production.



New energy-efficient technologies were introduced for grain processing and storage. Now, farmers could increase the level of grain marketability by improving storage conditions by 30% (better quality, longer shelf life, and more profitable sales).

The added value to milk production was proposed to be increased by processing the milk into craft cheese. Training programs were implemented, and local residents were trained in cheese making.

To digitize rural business, an online store "Delicate Basket" (www.lagodny.by) was created and continues operating. The ecological agricultural products of the Bragin district are available for order from buyers of other regions.

As a result of the project implementation:

1. More than 40 personal subsidiaries and farm households have improved their skills in agricultural business management;
2. Cooperative relations between farmers, entrepreneurs, and consumers have strengthened;
3. The value-added chain, from feed production to finished products and their delivery to consumers, has been formed and is gradually starting to work smoothly under business interaction conditions;

4. The possibilities for women and youth entrepreneurship have been expanded (with women comprising over 75% of event participants and 6 young families actively participating in events);
5. Digital technologies have been used to develop rural entrepreneurship; environmentally friendly production technologies have been implemented, and the promotion of environmentally friendly food products has been advanced (no food product offered by private farms and small farms within the initiative has exceeded the norms for harmful substances).

2.2 GEORGIA

2.2.1 SOCIO-ECONOMIC PROFILE OF BOLNISI MUNICIPALITY

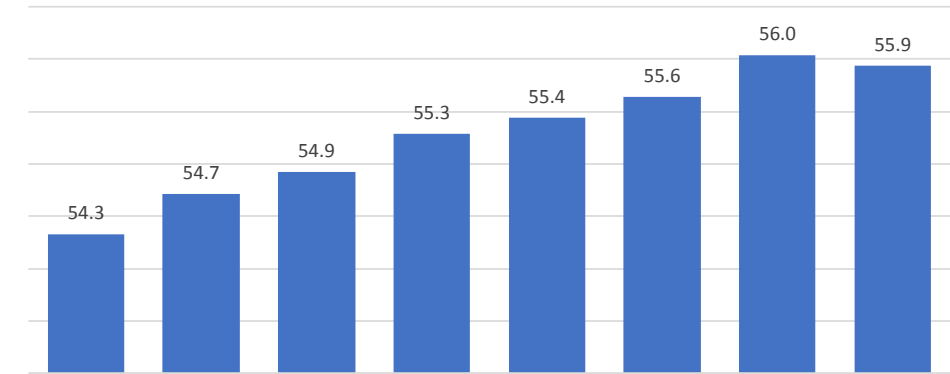
Bolnisi municipality is a predominantly rural economy, based on agriculture, with a focus on viticulture and winemaking. Except for one large company operating in the mining industry, an absolute majority of the enterprises are small and formal businesses, which are mostly operating in the retail trade sector, representing small grocery shops. In agriculture the main sector is viticulture - the municipality is home to more than 400 small winemakers. The increasing popularity of Georgian wine and the growth of tourism in the county also benefited the municipality businesses, providing additional incentives to local wine producers and other small entrepreneurs related to tourism to upgrade their business and formalize.



Despite progress in certain areas, challenges remain for the local economy. Limited local demand, a lack of diversification, and the relatively small scale of the majority of enterprises continue to pose significant challenges.

A. POPULATION - PREDOMINANTLY RURAL, GROWING POPULATION

Population of the Municipality (thousands)
Source: Geostat



¹⁴ Policy Note – Rural Policy 3.0. – A Framework for Rural Development, OECD, 2018. Access date: 18.03.2023.

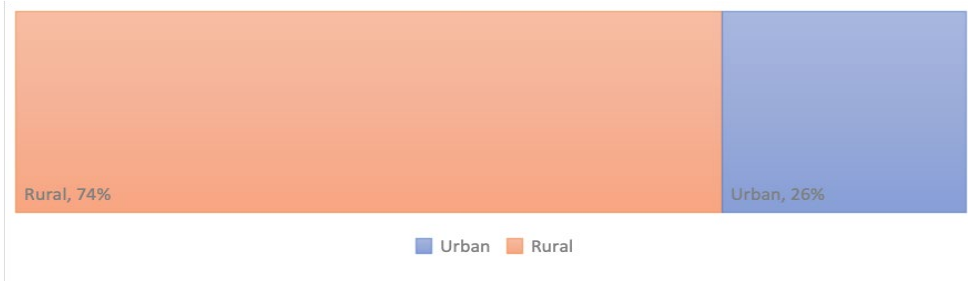


According to the OECD classification, Bolnisi municipality can be considered as a Remote Rural Region¹⁴, which entails considerable implications for the population and the local economy of the municipality. Often, regions located far from large urban centers with populations of 50,000 or more lack opportunities to leverage advantages that other rural areas near such cities may have. As a result, Bolnisi municipality faces unique challenges that require special attention and targeted solutions to prevent depopulation and make the municipality an attractive place to live in.

As of 2022, Bolnisi municipality had a population of about 56 thousand people. In the past six years (2015-2021) the total population of the municipality slowly grew by 3%. Both urban and rural populations grew.

The majority of the population in this municipality resides in rural areas, with approximately 74% of people living outside urban centers. This rate is significantly higher than both the country and regional averages, which stand at 41% and 56% respectively. Therefore, this indicates that the population in this area has a considerable rural profile.

Urban-Rural Split of the Population of the Municipality (thousands)
Source: Geostat.



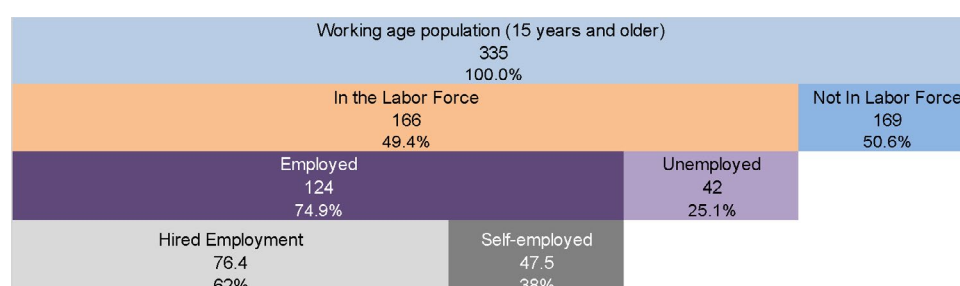
Such high dominance of the rural population, in the absence of economic diversification and the weak non-farm sector, makes this municipality's population dependent on agriculture very much.

B. LOW ECONOMIC ACTIVITY AND HIGH UNEMPLOYMENT

There is no available information specifically about the workforce in the municipality. However, data on the wider Kvemo Kartli region can provide some useful insights. According to Geostat's statistics for 2021, around 50% of the region's total population was economically active. The unemployment rate in the area was approximately 25%, with 62% of those employed working in hired positions, while the remaining 38% were self-employed.

Workforce, Employment and Unemployment in Kvemo Kartli Region (2021)

Source: Geostat

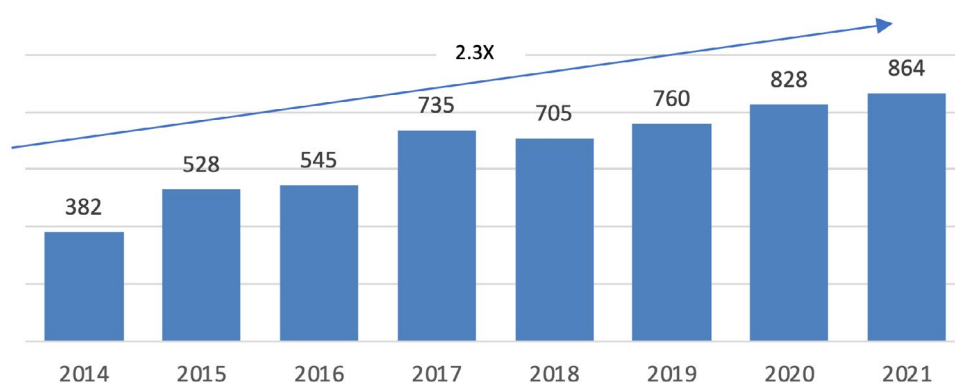


C. GROWING ENTERPRISE SECTOR - DOMINATED BY SMALL FIRMS, MOSTLY IN THE TRADE SECTOR

According to Geostat, the number of companies has been increasing over the past few years. By 2021 there were 864 active enterprises operating in the municipality.

Dynamics of active enterprises in the municipality

Source: Geostat.



In terms of the size, 98% of the enterprises are small. By 2021 there were 3 large and only 11 medium size companies in the municipality.

Active enterprises in the municipality by size (by 2021)

Source: Geostat

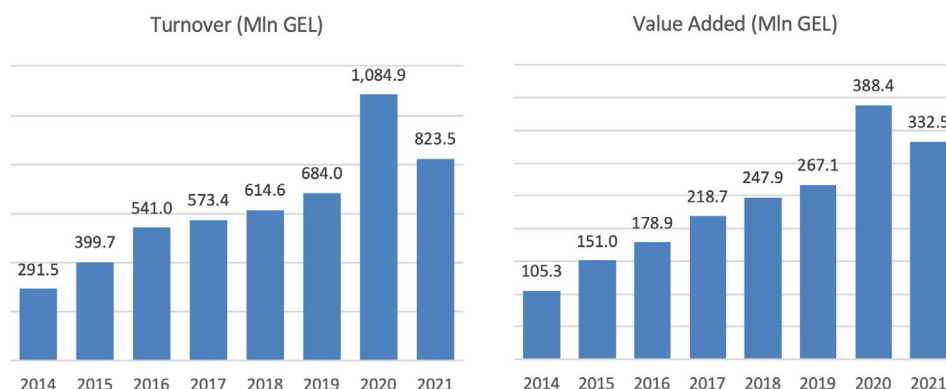
	Small	Medium	Large	Total
Number	850	11	3	864
% of total	98%	1%	0.3%	100%

The vast majority of registered enterprises in the area are in the trade sector, accounting for 47% of all enterprises. Manufacturing and construction sectors follow it, and each represents 7% of registered enterprises.

The business sector in the area has demonstrated impressive growth over the past few years, with turnover nearly tripling from 291 million GEL in 2014 to 1,085 million GEL in 2020. However, there was a slight reduction in turnover in 2021 due to the impact of the COVID-19 pandemic.

Sectoral Breakdown of Registered Enterprises in the Municipality

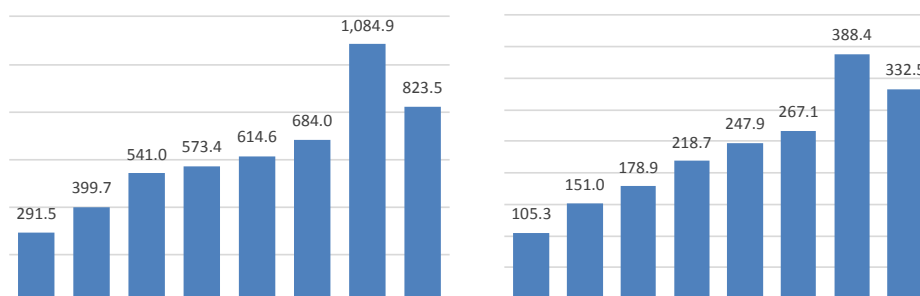
Source: Geostat



Similarly, the value added by the sector increased from 105 million GEL in 2014 to 388 million GEL in 2020, representing more than tripling growth. However, value-added began to slightly decrease in 2021 due to pandemic-related challenges. Despite these challenges, the private sector has demonstrated significant resilience to the crisis.

Business Sector Turnover and Value Added in The Municipality

Source: Geostat



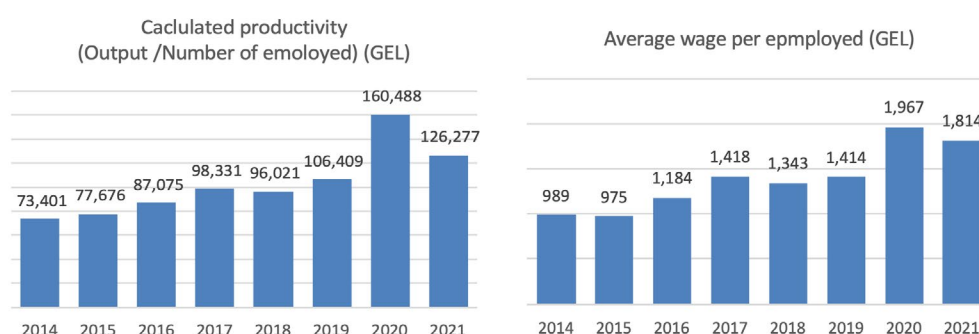
The municipality has performed quite well in terms of productivity, as measured by production output per employed person. From 2014 to 2021, productivity in the area significantly grew by approximately 72%, reaching about 126,000 GEL. Additionally, the average wage in the business sector increased by approximately 84% in the same period, amounting to 1,814 GEL. These positive developments are a testament to the municipality's positive trajectory toward sustainable economic growth and development.

It is worth mentioning that the levels of productivity and wages mentioned are not necessarily representative of the entire municipality, as they are heavily influenced by the presence of a large gold-processing employer in the area. It is likely that in smaller enterprises, productivity and wages may be noticeably lower. Therefore, while the municipality business sector overall has made significant strides in growth, small and medium businesses might be facing growth-related challenges, which need to be further explored and analyzed.

2.2.2 BEST BUSINESS PRACTICES FOR LOCALIZING THE SDGS AND INTRODUCING INNOVATIVE TECHNOLOGIES

A. GREEN TECHNOLOGIES

*Productivity and
Average Wage in the
Business Sector
Source: Geostat*



The Bolnisi municipality has implemented several initiatives aimed at promoting sustainable and environmentally friendly practices in the region. A key focus has been made on the development and implementation of green technologies. For this purpose, the municipality has embarked on a series of projects aimed at harnessing the potential of renewable energy sources. Among such initiatives was the installation of solar panels in the municipality. This project has not only helped to reduce the municipality's carbon footprint

but also contributed to the generation of clean energy. Furthermore, the municipality has also prioritized the integration of green technologies into public infrastructure. For instance, benches equipped with solar energy chargers and Wi-Fi will be installed in the old part of the city, offering a convenient and sustainable way for residents and tourists to recharge their devices while enjoying the city's sights and sounds. In addition, the municipality has installed energy-efficient streetlamps in several areas, which have helped to reduce energy consumption and costs while simultaneously enhancing visibility and safety for pedestrians and motorists. To monitor and improve the air quality in the region, the municipality has also had a plan to install humidity and pollution meters. These devices measure the level of humidity and pollution in the air, which helps the municipality take proactive measures to reduce pollution levels and promote clean air.

B. DIGITALIZATION

The Bolnisi municipality has taken steps toward improving the efficiency and transparency of public services by implementing a digitalization project. This initiative aims to make all municipal services accessible online, making it more convenient for residents to access information and services and reducing bureaucratic inefficiencies. With this project, the municipality is committed to modernizing and streamlining its services, making them more efficient and accessible to everybody. Furthermore, the Bolnisi municipality has also prioritized the digitalization of local agro-business and sales. For this purpose, the municipality is supporting the creation of an e-platform that will serve as an e-marketplace for locally produced and packaged wine, cheese, and other products. This platform will provide comprehensive information about the region, its varieties, tourism sites, and industry events, making it easier for customers to discover and purchase locally-made products. By embracing digitalization, the Bolnisi municipality is taking a proactive approach to modernizing its services and supporting the growth of its local industries. This initiative will not only make it easier for residents to access services but also help to promote the municipality's agro-business and sales by making local products more accessible to a larger audience.

C. SUSTAINABLE VINEYARD MANAGEMENT

Bolnisi municipality has established itself as a prominent center for viticulture, playing a significant role in the local economy. To support the industry, the local government has undertaken several projects aimed at promoting sustainable vineyard management practices. Among such initiatives can be mentioned the establishment of agro-hubs, which provide local farmers with modern equipment, technical expertise, and resources needed to improve vineyard management practices. The agro-hubs also serve as centers for education and training on sustainable agricultural practices such as soil management, water conservation, and pest control. The Bolnisi municipality has also supported winemakers through various initiatives, including collaborating with local winemakers to promote Bolnisian wine abroad. Additionally, the municipality has established a Quality Control Laboratory for agro-products, which plays a vital role in determining the readiness of grapes for harvesting

and wine production, as well as assessing the quality of other agro-products. Moreover, the municipality has facilitated the establishment of cooperatives and partnerships between local farmers and businesses, leading to the development of value chains and clusters. These initiatives have streamlined production and distribution processes, reduced costs, and increased profitability for local farmers and businesses. Bolnisi has also leveraged technology to promote sustainable vineyard management practices, introducing precision agriculture techniques like drones and sensors to monitor soil and crop health, optimize irrigation, and reduce the use of pesticides and fertilizers. To further support the local wine industry, the Bolnisi municipality provides annual wine festivals showcasing the region's wines, which serve as an opportunity for local winemakers to show their products, network with other industry professionals, and attract potential buyers. Moreover, the municipality has collaborated with the National Wine Agency to register the wine "Bolnisi" in the Georgian register of appellations of a place of origin, recognizing the unique characteristics of Bolnisi's wine and providing legal protection against imitation products. This collaboration has helped with the further promotion of Bolnisi's wine industry and increased its visibility both domestically and internationally.

D. PROMOTION OF LOCAL PRODUCTS

The Bolnisi municipality has put in place various initiatives to promote the use of locally-produced products. One such initiative is the collaboration with local farmers to encourage the production and consumption of locally-grown potatoes, grapes, cheese and wine that are produced in the area. These efforts have not only opened new markets for local farmers but have also encouraged residents to adopt healthier eating habits. This allowed to boost the local economy and promote sustainable agricultural practices. The municipality has established a program for locally-produced goods to further promote the use of local products. This program has helped to increase the visibility and reputation of local products, making them more attractive to both regional and national markets. Furthermore, the municipality has worked to promote local products through such events as food festivals, where residents and visitors can try and purchase locally-produced food and beverages. These festivals not only demonstrate the diversity and quality of local products but also provide an opportunity for local farmers and producers to connect with potential customers and network with industry professionals. The promotion of local products was also extended to the tourism sector. The municipality has collaborated with Georgian National Tourism Agency to develop agro-tourism packages that offer visitors a unique experience of the local culture and cuisine. These packages include visits to local farms, wine tastings, cheese-making demonstrations, and other activities that showcase the local way of life. These initiatives helped to increase tourism in the area and contributed to the development of a sustainable tourism industry.

E. PARTNERSHIPS

The Bolnisi municipality has forged partnerships with local businesses and organizations to undertake several projects aimed at promoting sustainable

economic development. These partnerships have resulted in several projects aimed at supporting small businesses and promoting local products, thereby boosting the local economy and establishing the region as a tourist destination. One significant partnership was created with local NGOs to provide training and support to small businesses, helping to improve their operations and become more sustainable. Additionally, the municipality has collaborated with local winemakers to promote Bolnisi wine abroad, which has increased the demand for the product and supported the local economy. Currently, the municipality is in the process of creating and operating a Quality Control Laboratory for agro products, which will test and provide chemical analyses for the quality and composition of honey, dairy products, horticultural crops, and grapes. This laboratory will play a crucial role in determining the readiness of grapes for harvesting and wine production, as well as in assessing the quality of other agro products. Bolnisi municipality's approach to decision-making is study-based, which has enabled the municipality to conduct thorough studies to identify production capacities and estimate demand for locally produced goods. The main aim of these studies is to establish sustainable channels for public-private dialogue and engage a wider spectrum of stakeholders to maintain durable information-sharing and communication mechanisms, implement a marketing strategy, and provide capacity-building and continuous counseling services to touristic market players. The focus is also made on promoting partnerships and clusters to stimulate economic development, with a particular emphasis on encouraging women and youth participation in the design and implementation of business stimulation and development initiatives. Furthermore, the municipality aims to establish sustainable channels for public-private dialogue to encourage, facilitate, and maintain continuous public-private dialogue and stimulate investments in the municipality's economy. A public-private partnership will be encouraged to support collective actions and networking by individual entrepreneurs and SMEs engaged in tourism as well as agro-processing, trading, warehousing, packaging, logistics, and transportation. PPD is expected to be used to set local economic development policy priorities, ensure that efforts to establish partnerships and clusters incorporate all relevant feedback from key stakeholders, and help foresee the likely economic impact of the action. Bolnisi municipality's efforts also include identifying the types and volumes of crops produced by individual farmers, establishing value chains from farmer to consumer, and creating incentives for local producers and retailers to improve productivity and increase their income. The activity will encourage local farmers and entrepreneurs to expand their ventures through proper marketing and networking with potential business partners and improve their business management and administrative capacities.

3. THE STATED PROBLEMS AND NEEDS AT THE LOCAL LEVEL

3.1 BELARUS

3.1.1 COMMON CHALLENGES AND NEEDS AT THE LOCAL LEVEL

In this section, the biggest part of the conclusions and recommendations on overcoming problems and challenges in the field of business development and localization of SDG at the local level in the Republic of Belarus will be made in general terms, as it is currently not possible to conduct a detailed study of problems and needs on-site.

Analyzing the information on the development of SMEs, it can be said that municipalities face a number of problems related to the localization of SDG and achieving sustainability in entrepreneurship development. **Here are some of them:**

1. The lack of business diversification. The main focus on supporting existing businesses in the area is made on agriculture and rural tourism, while other areas such as education, entertainment, or household services are practically not involved.
2. Insufficiently developed road infrastructure and communication. In many rural areas, especially those which are far from the district center, roads are of poor quality and there is bad internet connection, which is often a critical factor in the development of local businesses.

3. Reduction of tourist flows. Since Belarus gained independence, tourism development, including rural and ecological tourism, has received a lot of attention. However, since 2020, the situation in Belarusian tourism has changed dramatically. Inbound tourism has decreased due to the closure of many borders. The basis for the preservation and development of rural tourism has become the orientation towards domestic tourism, but due to the decrease in the population's income level, this type of tourism is also decreasing.
4. Insufficient competence and motivation of business start-up performers. In the practice of developing local business initiatives, there are often cases where a project is actively prepared and successfully starts operating, but its lifespan is measured in a few months and/or a year. This is especially accurate for projects implemented with grant funds. After a successful report on the work done, the enthusiasm of the project authors fades, external support ends, and self-sufficiency does not occur. Due to insufficient competence, the financial part of the business plan is often calculated with serious errors, and the overall sustainability of business start-ups is not high.

In addition to the challenges listed, there are general problems and areas of activity necessary to increase the effectiveness of SDG localization at the local level.

A. EDUCATION FOR SUSTAINABLE DEVELOPMENT

One of the main cross-cutting themes in achieving sustainable development goals is "Education for Sustainable Development" (Goal 4). The importance of this topic is already recognized by all, but the process of organizing educational events in rural areas has specific problems. These include the dispersion of those interested in obtaining certain knowledge sometimes at a considerable distance from each other and from the carriers of this information, problems with road communication, technical communication, etc. Therefore, the fastest way to conduct educational processes is to use the Internet to organize online courses. In turn, this requires fast and reliable Internet, as well as the ability to invite highly qualified specialists.

B. PARTNERSHIP

An important direction for localizing sustainable development goals in business at the local level is the development of partnerships. One of the most important types of partnership is public-private partnership. The most useful form of such partnership is a cooperation between municipalities and local NGOs for training and support (informational, promotion in foreign markets, etc.) of small businesses; a partnership in the provision of technical services by state certification centers, quality control, etc.; providing financial support to startups, social businesses, and SMEs in general.

Cooperation and the creation of clusters of SME representatives in the same thematic direction of activity, as well as the creation and/or active participation in existing public associations, confederations, and business communi-

ties effectively promote partnership and help localize sustainable development goals.

C. WOMEN'S ENTREPRENEURSHIP

Women's entrepreneurship is still not developing actively enough. The workload of women with household duties often does not allow them to create their businesses and sometimes even to participate in the business of their spouse and/or friends. But world practice shows that it is in SMEs women very often achieve significant success.

Women's participation in business is sometimes restrained by local traditions and a lack of competencies in business development issues. Therefore, the development of educational-applied programs, the popularization of alternative forms of employment, especially in rural areas, the stimulation of the development of craft activities, rural tourism, and other types of activities with the participation of women entrepreneurs - all this will make it possible to expand the contribution of SMEs to the GDP of municipalities and strengthen the solution to the problem gender equality, especially in rural areas.

D. GREEN ECONOMY

One of the most important stages in the development of society to achieve the SDGs is the implementation of the principles and methods of the Green Economy. It is a comprehensive, cross-cutting concept for all 17 SDGs. In rural areas, it is sometimes difficult to implement, but in other cases, it is the foundation for the development of local communities. The principles of the green economy are designed to solve the main problems of life on Earth: the problems of the interaction between the economy and the environment.

To implement the principles and develop the direction of the green economy, it is necessary to:

- Activate local production of organic fertilizers (compost, humic fertilizers, effective microorganisms, sapropels, etc.).
- Use organic feed for livestock, grazing on ecologically clean areas.
- Stimulate the use of circular technologies for resource utilization.
- Develop local brands of non-food and food products.
- Promote and implement the principles of universal use of locally produced goods.
- Pay special attention to the organization of separate waste collection and the use of organic waste for the production of organic fertilizers.

3.2 GEORGIA

3.2.1 COMMON CHALLENGES AT THE LOCAL LEVEL

Analyzing different development documents for Bolnisi Municipality and taking into account the knowledge of experts about the situation in the municipality, Bolnisi faces a range of challenges and needs at the local level related to the SDGs localization and SDG localization related to the development of entrepreneurship in a territory. Some examples are provided below.

A. DIGITALIZATION AND SMART DATA

The digitalization of services in Bolnisi municipality presents several challenges. One of the main obstacles is the limited local demand resulting from the small scale of most enterprises, which makes it difficult for small businesses to invest in digital infrastructure and services. This challenge is further exacerbated by limited access to financing and the limited use of innovative technologies, which hampers the ability of small businesses to remain competitive. Moreover, the remote rural location of Bolnisi makes it challenging to access high-speed internet, which is essential for businesses to access digital services and reach new markets.

Another significant challenge is the lack of information and data required for the decision-making and management of the municipality. While some information exists, it is not digitized and not readily available online for interested parties. For instance, the absence of digital systems to facilitate access to healthcare and improve access to social services is a concern. Concerted efforts are necessary to digitize and aggregate data on housing conditions, energy efficiency, and comfort.



Additionally, the municipality lacks local data on noise and safety indicators, hampering the ability to develop targeted solutions to address these issues. The absence of a disaster surveillance system and an early warning system for health risks is also a concern. The qualifications and skills of those responsible for collecting and processing data, as well as the skills of users of that data, are also challenging.

Inadequate and constantly outdated information on the condition of lands in the municipality, temperature per settlement, and other crucial data required for agricultural product cultivation is another challenge that hampers

agricultural development and the growth of the population's and farmers' income. Addressing these challenges is crucial to improve the quality of life for residents, but it requires a coordinated effort from national and local public institutions, the local private sector, and civil society organizations.

B. AFFORDABLE AND SAFE HOUSING

Bolnisi municipality is facing significant challenges when it comes to providing safe and affordable housing. Limited access to financing and weak infrastructure are the primary obstacles to the provision of safe housing. Most of the houses are in a low state of energy efficiency and comfort. The municipality is also exposed to moderate earthquake risks, with poorly maintained and old buildings being particularly susceptible. The mining industry, in particular, poses a severe threat to the environment, leading to the total loss of habitats and transforming thriving ecosystems into lifeless stone deserts.

Moreover, water contaminated with cyanide and heavy metals flows into the River Mashavera and the irrigation system, eventually polluting the fruits and vegetables consumed by people. The municipality also faces challenges related to increasing greenhouse gas emissions, and access to environmentally friendly and safe transportation. There are no coordinated efforts from national and local public institutions, the local private sector, and CSOs to improve housing quality and protect residents from environmental hazards. However, no plans have been implemented to address these risks as well.

C. JOB AND BUSINESS-FRIENDLY

Bolnisi municipality faces several challenges in terms of creating jobs and a business-friendly environment. One of the main challenges is the limited local demand due to the small scale of the majority of enterprises. As a result, many small businesses struggle to remain profitable, which hampers job creation and economic growth.

The lack of diversification in the local economy is also a significant challenge, as the local economy is heavily dependent on agriculture. Moreover, the remote rural nature of the Bolnisi municipality limits opportunities for the population and the local economy. Depopulation is another significant challenge that affects job creation, as the outmigration of young people in search of employment reduces the local workforce. Limited access to financing and weak infrastructure also poses challenges to job creation and economic growth.

D. CIRCULAR ECONOMY

Transitioning to a circular economy poses significant challenges, including a lack of awareness and understanding of circular economy principles and practices among residents, businesses, and local governments. Additionally, the absence of satisfactory infrastructure and systems for waste management and recycling results in resource waste and pollution. The lack of supportive organizations that can help raise awareness and understanding of circular economy principles and practices, invest in waste management and

recycling infrastructure and systems, and create incentives for businesses to adopt circular economy practices, further exacerbates the challenge.

During discussions, representatives from the public, private, and civil sectors discussed challenges facing their respective sectors and identified common challenges which they perceived to be common across sectors.

Table: Challenges identified by meeting participants

Public Sector	Private Sector	CSOs	Common challenges
<p>Limited awareness among the private sector and population about waste management and separation practices.</p> <p>Insufficient investment in the municipality to achieve economic growth and development.</p> <p>A lack of effective partnerships between the public and private sectors, with a shortage of experienced facilitators to support such collaborations.</p>	<p>The lack of modern inventory (wine vessels, filter, label device, etc.) for natural wine production, which limits their ability to produce high-quality wine.</p> <p>Difficulties related to exporting products to different continents, which hinders the growth of the wine industry.</p> <p>Difficulties with sending wine abroad due to complex procedures and high costs.</p> <p>The lack of participation in international exhibition-competitions, which limits the exposure and market reach of local wine producers.</p> <p>The lack of education for high-standard winemaking, which affects the quality of the wine produced.</p> <p>The lack of surveillance cameras in the old city, which hampers security efforts in the area.</p> <p>The need for rehabilitation of the old part of the city to attract tourists and boost economic growth.</p> <p>The lack of cooperation between state structures, local government, private sector, and civil society to solve environmental problems of Mashavera River.</p> <p>The need for wells for irrigation of beds and the difficulty of organizing them.</p> <p>The lower involvement of local authorities in joint environmental projects to address environmental concerns in the area.</p> <p>Involvement of local authorities in the promotion of local products (advertising, television programs, etc.) to increase sales and the local economy.</p> <p>Arrangement of internal irrigation canals for vineyards and various beds to improve irrigation practices and agricultural output.</p> <p>Monitoring of sewage, wastewater, and their cleaning to ensure environmental sustainability and public health.</p>	<p>Insufficient dialogue between the public and private sectors.</p> <p>A language barrier for ethnic minorities, which hinders their participation in the municipality's affairs and business.</p> <p>A low level of awareness and understanding of sustainable development goals among the population.</p> <p>The absence of green technologies and knowledge about green technologies in the municipality.</p> <p>The lack of implementation of community initiatives.</p> <p>Insufficient cooperation mechanisms between different sectors within the private sector.</p> <p>The non-processing of municipal waste, which leads to environmental degradation.</p> <p>The lack of investment made by businesses in the municipality.</p>	<p>The ecological situation, which requires urgent attention to address issues such as waste management, pollution, and sustainable development.</p> <p>The state of the old part of Bolnisi city needs rehabilitation and restoration to preserve its cultural heritage and attract tourism.</p> <p>Limited awareness and availability of green technologies hinder the municipality's transition to a more sustainable and environmentally friendly economy.</p> <p>Insufficient investment by the private sector in improving the economic and social conditions of the municipality affects job creation and the overall development of the area.</p>

3.2.2 PROBLEMS AND NEEDS AT THE LOCAL LEVEL

The following main problems and needs at the local level can be identified from the beforementioned challenges:

A. THE OLD PART OF BOLNISI - ECONOMIC GROWTH POINT FOR THE MUNICIPALITY

To promote economic growth in the old part of Bolnisi, it is necessary to identify the development needs of the area, rehabilitate existing buildings and infrastructure, and incorporate green technologies. This initiative aims to attract businesses to the area and create conditions that encourage economic growth.

To start, a thorough analysis of the area is required to determine specific development needs of the old section. This may include an assessment of existing infrastructure, including utilities, transportation, and communication systems, as well as a review of any zoning restrictions or regulations that may impact development. Additionally, an evaluation of the existing business environment, including market demand and potential competition, would inform the strategy.

With a clear understanding of the development needs, the next step is to rehabilitate existing buildings and infrastructure. This may involve a range of activities, from basic repairs to complete renovations, depending on the condition of the structures. Priority would be given to buildings that could accommodate businesses, such as retail shops or offices, and those that require minimal modifications to become operational.

Green technologies could play a significant role in the rehabilitation process. This might include the installation of energy-efficient lighting and HVAC systems, as well as the use of renewable energy sources, such as solar panels or wind turbines. These strategies would not only reduce energy costs but also position the area as environmentally friendly, potentially attracting businesses that prioritize sustainability.

Finally, creating the conditions for attracting business to the old section would involve a range of initiatives. This could include the development of financial incentives, such as tax breaks or grants, to encourage businesses to establish themselves in the area. A marketing campaign to promote the unique features and benefits of the old section, such as its historical significance, could also be launched. Additionally, establishing a business incubator or co-working space could provide support for entrepreneurs looking to launch new ventures.

Overall, the creation of the economic growth point in the old part of Bolnisi is a complex undertaking that requires a coordinated effort from various stakeholders, including national and local public institutions, the private sector,

and civil society organizations. Through collaboration and strategic investment, this initiative could have a huge impact on the economic development of the area, while preserving its cultural and historical significance.

B. CENTER OF GREEN TECHNOLOGY

One potential solution to enhance the awareness and accessibility of green technology in Bolnisi municipality would be to establish a green technology center in the old part of Bolnisi. This center could function as a hub for education and training on green technology and a resource center for businesses and individuals interested in adopting green technologies. Additionally, the center could assist in identifying and accessing funding opportunities for green technology projects.

Another potential approach to promoting green technology adoption in Bolnisi municipality is to prioritize the use of green technologies in municipal procurement processes. By incorporating green technology requirements into procurement policies, the municipality can encourage businesses to offer and use more sustainable solutions. This can potentially create a market for green technology products and services in the municipality and promote the growth of green technology businesses.

In general, enhancing the awareness and accessibility of green technology in Bolnisi municipality could lead to more sustainable and environmentally-friendly practices in the community, as well as potential economic benefits from the growth of green technology businesses.

C. DIGITAL BOLNISI

To address the challenges related to information and data management in Bolnisi municipality, there is a need to collect and digitize data on various aspects of the community. This includes information on housing conditions, energy efficiency, land use, transportation, business environment, healthcare, and social services, among other points. To accomplish this, the municipality can work with public and private partners, as well as civil society organizations, to collect and analyze data and create a centralized database.

In addition to creating the database, there is a need to increase accessibility and usage of the data by training stakeholders in data usage and analysis. This can involve creating training programs for public and private sector employees, as well as community members, on how to access and analyze the data.

The lack of accurate and accessible data can lead to ineffective decision-making processes and hinder the development of evidence-based policies. By improving data collection and analysis, the municipality can make more informed decisions and develop evidence-based policies that are tailored to the needs of the community. This can also help to attract investment and promote economic growth by providing a more accurate picture of the community to potential investors. Therefore, it is important to prioritize the creation of a comprehensive database of information that is digitized and easily accessible to all interested parties.

D. FOSTERING SUSTAINABLE GROWTH THROUGH LOCAL INVESTMENT

Local investment is crucial to address the economic, environmental, and social challenges that Bolnisi municipality faces in economic development. One of the most significant challenges is the lack of access to modern farming techniques and technologies, which limits farmers' ability to increase crop yields and reduce production costs. To overcome this challenge, it is necessary to promote the adoption of green technologies, such as precision agriculture and renewable energy systems, that can increase efficiency and reduce environmental impacts.

Another challenge that Bolnisi farmers face is a lack of access to markets for locally produced bioproducts. To address this, the circular economy and the development of local markets for bioproducts must be promoted. Creating networks that connect farmers and consumers, as well as promoting sustainable packaging and distribution systems, can help them prosper economically.

Local wine, cheese, potato, and other agro-products producers in Bolnisi Municipality require investment in infrastructure, circularity, green and smart technologies, as well as marketing and branding, to increase their production capacity and market competitiveness. Meeting high-quality standards and obtaining certifications are essential to access national and international markets. Investment in renewable energy, precision agriculture, and smart irrigation systems can increase productivity, reduce costs, and minimize environmental impact. Agribusiness in Bolnisi Municipality needs investment to develop value chains and strengthen supply chains. Investments in storage facilities, transportation infrastructure, and marketing strategies to connect farmers with local and international markets are necessary.

To address environmental issues related to soil erosion, water quality, and biodiversity loss, promoting sustainable land management practices such as regenerative agriculture and agroforestry is necessary. These practices can help to reduce erosion, improve soil health, and enhance biodiversity, while also increasing productivity and resilience to climate change.

4. CONCLUSIONS AND RECOMMENDATIONS

Both countries have come a long way in achieving SDGs over the past 30 years. However, different approaches to developing strategic-level documents and management of Sustainable Development have been implemented in these countries. In Belarus, the National Sustainable Development Strategy until 2030 has been adopted and is being implemented, and the Concept of the National Sustainable Development Strategy until 2035 has been developed and openly discussed. In Georgia, the main focus is made not on preparing a comprehensive national sustainable development strategy, but rather on creating thematic and sectoral strategies, such as the Georgian SME Development Strategy 2021-2025, Agriculture and Rural Development Strategy of Georgia 2021-2027, Green Growth Policy, etc. However, in both countries, these documents are not accompanied by clear local-level development plans. Therefore, it is necessary to localize some strategic documents at the municipal level, at least in the area of monitoring important indicators for local entrepreneurship development and SDG achievement.

Different approaches are used in managing the SDG achievement process in Belarus and Georgia. In Belarus, the National Coordinator for Sustainable Development Goals is based in the Parliament to coordinate and stimulate SDG achievement. Main Working Groups for implementation, localization and SDG achievement were formed under it, and later, ministries and civil society organizations were involved. In Georgia, the process of nationalizing and coordinating SDG achievement was entrusted to the Government of Georgia's Administration. The Prime Minister of Georgia created and defined the composition of the Interagency Council on Sustainable Development Goals. The head of the Government Administration of Georgia is the chairperson of the council. The ministries are responsible for developing and implementing measures for SDG achievement. Both approaches have their pros and cons.

For example, separate vertical management can give more intensity to the development processes, but it may require more financial and human resources or create an additional bureaucracy that hinders development processes. In any case, both existing management systems currently do not allow for the prompt coordination and management of the development and implementation of sustainable development strategies at the local level. Therefore, to develop and implement strategies, programs, projects, or plans for achieving sustainable development, it is recommended to create public councils, committees, or other formal management bodies for SDG achievement processes at the local level, including all stakeholders.

In the two countries, various but largely similar methods of financial and non-financial support for entrepreneurship are being implemented. In Belarus, there is a network of small and medium-sized enterprises (SME) assist infrastructure entities, consisting of entrepreneurship support centers, small business incubators, and technology innovation parks. In Georgia, there is also experience in organizing service centers that provide various services to entrepreneurs. Financial assistance in Belarus is provided through state support programs and international grant support. In Georgia, international grant support is also actively used. However, the existing support tools are currently not being effectively utilized to implement principles of environmental, social and good governance (ESG) in the development of entrepreneurship. To increase their effectiveness, it is necessary to develop a system of "green financing" that stimulates the implementation of "green economy" and "green technologies" in business, also a system of education on these topics for farmers, entrepreneurs and managers of the municipality.

Assisting smallholder farmers in setting up a Shared Service Center as a part of a comprehensive program can help to promote sustainable and environmentally friendly practices. This can be achieved by promoting the adoption of green technologies, creating networks that connect farmers and consumers, and stimulating sustainable packaging and distribution systems. Investment in infrastructure, circularity, green and smart technology, as well as marketing and branding, can increase production capacity and market competitiveness.

In both Belarus and Georgia, there is a lack of information on the processes of socioeconomic development in the region, entrepreneurship development, and progress toward SDGs at the local level. This information is not only important for government officials but also for local businesses and residents. Collaborating with public and private partners to collect and analyze data and create a centralized database is recommended to address challenges related to information and data management. Improving data collection and analysis can help to make informed decisions and develop evidence-based policies that promote economic growth.

It is evident that a common problem for any individual is not just having access to information, but also knowing how to use it. Improving the digital capacity building of small farmers is crucial to boost the competitiveness of local agro-businesses. This can be achieved by creating training programs for public and private sector employees and community members on how to access and analyze data.

Local investment is crucial to address economic, environmental, and social challenges, such as limited access to modern farming techniques and technologies and a lack of access to markets for locally produced bioproducts. To overcome these challenges, promoting the adoption of green technologies and creating networks that connect farmers and consumers are necessary. Investments in infrastructure, technology, and marketing can increase production capacity and market competitiveness while promoting sustainable land management practices to reduce environmental impact.

Strengthening the capacity of the municipal business community and local authorities in monitoring and developing the local economy with the achievement of SDGs is important. Prioritizing the use of green technologies in municipal procurement processes, establishing a green technology center as a hub for education and training, and promoting sustainable land management practices such as regenerative agriculture and agroforestry can help to achieve this.

There are plenty of interesting and unique examples of implementing green business models and technologies at the local level in both countries. The cases described in the Best Practices section demonstrate excellent examples of implemented ideas and projects in the field of localizing SDGs in business. This experience should be actively shared.

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